City of Garland
2021
Annual Comprehensive Finance Report
for the year ended September 30, 2021

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CITY OF GARLAND, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2021

CITY COUNCIL

Scott LeMay, Mayor
Jeff Bass, District 1
Deborah Morris, District 2
Ed Moore, District 3
B. J. Williams, Deputy Mayor Por Tem, District 4
Rich Aubin, District 5
Robert Vera, District 6
Dylan Hedrick, District 7
Robert John Smith, District 8

CITY MANAGER

Bryan Bradford

MANAGING DIRECTOR, FINANCIAL SERVICES

Matt Watson

Prepared by

Financial Services Department

CITY OF GARLAND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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March 11, 2022

Citizens of the City of Garland
Garland, Texas

Dear Citizens:

The Annual Comprehensive Financial Report (Annual Report) of the City of Garland, Texas (the City), for the year ended September 30, 2021 is hereby submitted. The report is published to provide detailed information concerning the financial condition of the City to our citizens and the financial community, as well as other interested parties. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Governmental Accounting Standards Board requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately after the independent auditors' report.

GENERAL INFORMATION – CITY OF GARLAND

The City of Garland is located northeast of Dallas and is one of the largest communities in the Dallas/Fort Worth Metroplex. As the 13th largest city in Texas, Garland covers 57 square miles and is bordered by three major freeways: Interstate 635, Interstate 30, and State Highway 190 (President George Bush Turnpike).

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's home rule Charter. The City was incorporated in 1891 and first adopted its Home Rule Charter in 1951. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members. The City Manager is the chief administrative officer for the City.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Garland as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; electric, water, and wastewater utility services; golf course facilities; storm water facilities, and sanitation collection services.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Garland Housing Finance Corporation, the Garland Economic Development Authority, and the Garland Health Facilities Development Corporation are not included in the primary government. In accordance with GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34", the City determined that the Garland Health Facilities Development Corporation and the Garland Economic Development Authority, which were discretely presented as component units in the City's financial statements in prior years, are no longer necessary to be reported within the City's financial statements and have been excluded from the City's FY2021 Annual Comprehensive Financial Report. The Garland Independent School District is excluded from this report because it is a separate governmental entity with a separately elected board of trustees.

The Garland Foundation for Development (GFFD) was organized to promote economic development and other activities within the Garland Community. The City Council serves as the board members for GFFD and the City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental fund.

The Garland Public Facility Corporation (GPFC) was created as a public facility corporation for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

DEMOGRAPHICS

Garland's population totaled 246,018 in the 2020 census count with current estimates placing the population at approximately 246,173. Garland has an estimated 85,809 housing units and an employment base of approximately 127,123. Garland is diverse in ethnicity and education. Most recent estimates place the city's population at 35.1% white, 15.1% African American, 1.3% American Indian or Alaska Native, 12.0% Asian, 17.2% two or more races, and 19.3% other race. An estimated 42.7% is Hispanic/Latino (of any race). More than 77% of the city's adult population is educated above the high school level, with more than 20% of the population possessing a bachelor's degree or higher. Per the Garland Economic Development Office, the 2021 estimated average household income in Garland was $79,400. Per the Dallas Central Appraisal District, the average market value for detached single-family residences in Garland for 2021 is $216,200.

LOCAL ECONOMY AND DEVELOPMENT

Garland is known for its economic and industrial base, which consists of more than 5,000 businesses including approximately 300 manufacturing companies. The City has been recognized as a manufacturing community since the 1940s, and numerous Fortune 500 corporations along with many others have selected Garland as home base for their strategic operations. The following is a partial list of companies that maintain operations in Garland:

Arrow Fabrication Tubing	*General Dynamics Corp.*	*Packaging Corp. of America*
Batory Foods	*Kirchhoff Automotive*	*Plastipak Packaging*
Cosmax NBT	*Kraft Heinz Foods*	*Quest USA*
Daisy Brands, Inc.	*Mapei Corporation*	*Resistol Hats*
Ecolab, Inc.	*NTT Data Center*	*Sherwin-Williams*
Epiroc Drilling Solutions	*O'Neal Flat Rolled Metals*	*US Food Services*

Micropac Industries, headquartered in Garland, is currently constructing an approximately 77,000-square-foot facility situated between Milano Hats (another Garland staple) and Tuckerville Park. This move will potentially allow the company's current employment base to grow from 142 workers to 280. The company's electronic products can be found in systems ranging from 25,000 feet below the earth's surface to space probes on the surface of Mars. Future Foam, Inc., purchased and plans to renovate/occupy an approximately 342,000-square-foot facility located at 3000 W. Kingsley. Their operation will return 104 full-time jobs to the site that used to be home to the APEC Tool Group. Future Foam, which specializes in polyurethane foam products, plans to spend nearly $3 million to renovate the existing facility and reactivate rail service to the site. Additional industrial developments, specifically several infill

projects, are in the works for Garland and will be announced in the coming months. The DFW industrial market continues to be competitive, and Garland continually leads in quality industrial developments in the region.

In response to the rapidly-increasing data traffic and central location advantage, the DFW market is becoming one of the largest data center markets in the nation. In turn, conversations are continuing around future data center developments. The area along the President George Bush Turnpike has also seen a tremendous amount of commercial development, such as data centers, mixed use, and other projects, totaling more than $3 billion in new investments since 2018. Additionally, in response to the continued need for high-quality industrial, commercial, and retail space, the City has been working to create new redevelopment-specific programs to aid in the redevelopment of crucial areas within the city. One project bringing redevelopment near Downtown is the Draper, which will redevelop the vacant Wyatt's Cafeteria into 155 new multifamily units.

In May 2019, Garland citizens approved a bond package, which includes $46.0 million for economic development to promote and better support investment and revitalization across the city. The City continues to focus on increasing real estate values and enhancing quality of life for Garland residents and businesses. The funding will allow the City to acquire and assemble larger parcels for significant reinvestment. To maximize the impact of the investment of the bond funds, the City will develop an Economic Development Strategic Plan in the coming months. It will include a holistic analysis of the strengths, weaknesses, opportunities, and challenges faced by the City's economy and future goals. Additionally, multiple City-owned sites are ready for a mix of potential uses from single-family home development to restaurant, retail, and other neighborhood service establishments. In particular, Rosehill and I-30 is a City-owned property where the City is seeking a master developer to bring a high-quality development to the site. To help attract the best developer possible, the City will complete a hotel feasibility study for the area to provide to potential developers.

The City has been working with community stakeholders to actively assist, support, and provide resources to Garland businesses, including those impacted most by the COVID-19 pandemic. This includes developing programs for façade improvements or design assistance for retail and commercial owners.

ECONOMIC CONDITIONS AND OUTLOOK

Garland's General Fund revenues from all sources are anticipated to be $195.4 million in FY 2021-22, an increase of $12.6 million (6.9%) from last year's approved budget. Garland's certified property tax base reached to $18.4 billion in 2021, an increase of 7.55% from last year's valuation. New construction estimates account for 1.6% of the increase in property values, while existing properties contributed 5.9%. Property tax revenues for FY2021-22 are impacted by Senate Bill 2, which limits revenue growth to a 3.5% increase on prior year property tax collections.

Sales tax, the General Fund's second largest source of revenue, is projected to increase by $4.8 million (16.6%) from the FY2020-21 approved budget.

The budget priorities for FY2021-22 are primarily focused on addressing deferred staffing and operational needs, restoring employee compensation increases, and enhancing maintenance and programs to capitalize on improvements underway as part of the 2019 Bond Program. The priorities include:

- Address operational staffing needs
- Enhance park operational funding
- Restore employee merit/compensation increases to remain competitive
- Maintain an additional 10 days above the 30-day General Fund balance requirement

FINANCIAL INFORMATION

Accounting and Budgetary Controls

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Outstanding encumbrance's lapse at fiscal year-end and the subsequent year's budget is amended to reflect these outstanding encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's revenue managers and the Budget Director. Expenditure budgets are then developed using a *target budgeting* approach. Departments base their initial budget submission on their allocated share of the projected resources, but they can make requests for additional items which the City Manager or City Council may choose to fund. This target budget methodology results in a balanced budget presented to Council. The Proposed Budget is reviewed extensively by the City Council, and the process includes a Charter-mandated public hearing and work sessions that are open to the public. The City Charter requires adoption of the City budget by no later than September 20th. Activities of the general, debt service, community development block grant, housing assistance, neighborhood services, police training, hotel/motel, narcotic seizure, Treasury Department Grants, TIF, and internal service funds are included in the annual appropriated budget.

While the budget is developed and controlled at the departmental level, appropriations are set at the fund level. An ordinance establishes the budget for operating expenses, debt services payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

Changes to approved expenditures are incorporated into the current year budget throughout the year in the form of budget amendments approved by Council. These amendments, as well as updated revenues and other revised expenses, become part of the Revised Budget that is presented to Council concurrent with the Proposed Budget.

During the course of the fiscal year, each department director monitors expenditure controls with overall review exercised by the Budget Director and the City Manager. Monthly expenditure reports are distributed based on the automated accounting system that provide year-to-date expenditure totals for each line item compared to the amount expended at that point in time in the prior year.

Constant review and oversight of revenue and expenditure trends is maintained with specific responsibility assigned to department directors, revenue managers, and the Budget Director. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the Adopted Budget.

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the City's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial awards, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these programs. Internal controls are subject to periodic evaluation by management, the City's Internal Audit Department, and independent auditors.

As part of the City's single audit, the independent auditors make tests to determine the adequacy of the internal controls, including that portion related to Federal financial awards programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the single audit are published in a separate report to management.

Long-Term Financial Planning

In order to remain financially strong and provide a framework for prudent financial management, the following financial controls are maintained annually:

- A multi-year financial forecast is prepared projecting revenues and expenditures for all major operating funds.
- A multi-year debt service forecast is prepared to project the impact of future debt service payments on the tax rate.
- Rates, fees and charges for services are reviewed and adjusted as necessary to respond to changing financial circumstances.
- Insurance coverages are examined to ensure that policy limits are adequate and in compliance with revenue bond covenants.
- Debt is not used to fund current expenditures.
- Bonds are sold to finance long-term capital projects.
- Total tax-supported debt is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property.
- An ending "fund balance" of 30 days of budget-based operating expenditures in the General Fund is maintained as a minimum.
- An ending "fund balance" of 45 days of budget-based operating expenditures is maintained in the Enterprise Funds as a minimum.
- Internal service funds are maintained to be fully self-supporting to the extent that any retained earnings deficit is recovered in the subsequent fiscal year through increased charges to benefiting departments.

OTHER INFORMATION

Independent Audit

According to Article IV, Section 7, of the City Charter, an annual audit to be performed by independent, certified public accountants, is required to be made of the financial records of the City. Weaver and Tidwell, LLP was selected in July 2019 by the City Council to perform the annual audits. In addition to meeting the requirements set forth in the Charter, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report on the basic financial statements is included in the financial section of this report. The independent auditor's report related specifically to the single audit will be issued in a separate document.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Garland for its Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. The City of Garland has received a Certificate of Achievement for the last thirty-nine consecutive years. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this Annual Comprehensive Financial Report was accomplished with the professional and dedicated efforts of the staff of the Financial Services Department. Appreciation is also extended to those individuals in other departments who contributed, directly or indirectly, to the development of this report.

In closing, we also want to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

Bryan L. Bradford
City Manager

Matt Watson
Managing Director of Finance

Kathryn Ritchie
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Garland
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

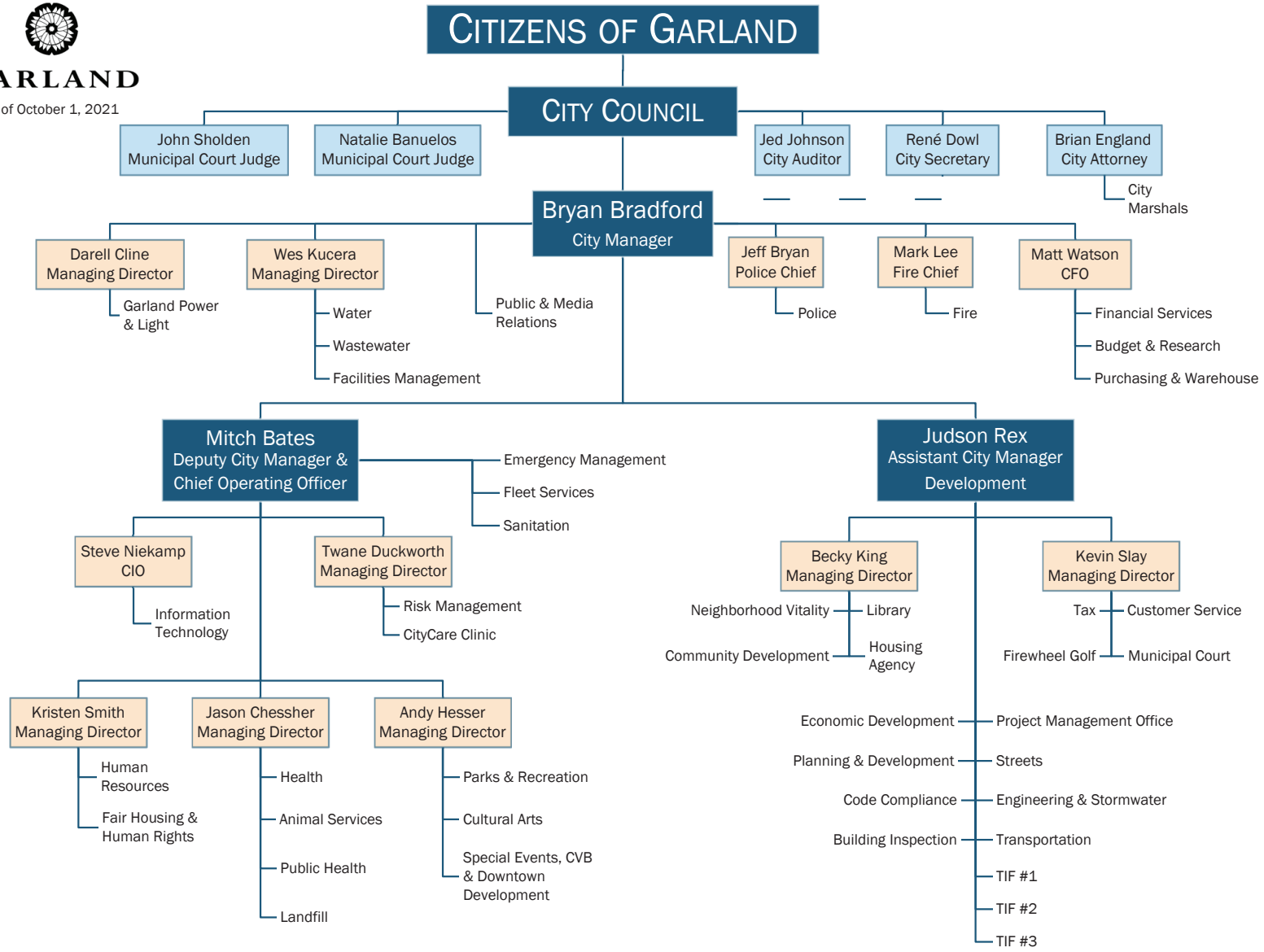
September 30, 2020

Christopher P. Morrill

Executive Director/CEO

GARLAND

As of October 1, 2021



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Independent Auditor's Report

To the Honorable Mayor, Members of the City Council and City Manager
City of Garland, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Garland (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Garland Housing Finance Corporation (GHFC), the discretely presented component unit of the City of Garland as of and for the year ended December 31, 2020. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the GHFC is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Weaver and Tidwell, L.L.P.
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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules listed in the foregoing table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 11, 2022

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City of Garland, Texas
Management's Discussion and Analysis
(Unaudited)

As management of the City of Garland, we offer readers of the City of Garland's financial statements this narrative overview and analysis of the financial activities of the City of Garland for the fiscal year ended September 30, 2021. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets and deferred outflows of the City of Garland (the City) exceeded its liabilities and deferred inflows at the close of the fiscal year by $1,106,521,019. Ending net position for governmental activities amount to $305,857,634 and the ending net position for the business type activities amount to $800,663,385.
- Net position for the governmental activities increased $46,200,253 and the net position for the business type activities increased $31,812,713 for a total increase in the City's net position of $78,012,966. Contributing factors related to the increase in governmental activities and in business type activities are discussed in the governmental activities and business type activities sections of this overview and analysis.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $124,245,516. Of the combined ending fund balances, $51,331,585 is restricted, $23,556,546 is committed, $21,956,751 is assigned, and $27,400,634 is unassigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred inflows/outflows, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, landfill, economic development, and culture and recreation. The business-type activities of the City include electric, water, sewer, golf, heliport, storm water, parks performance, and sanitation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate non-profit corporation for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City also maintains a fiduciary trust fund for the other post-employment benefits (OPEB).

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare it to the information presented for the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. The General Fund, the Debt Service Fund, and the Capital Projects Fund, are considered to be major funds. Major funds are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 28-31 of this report.

Proprietary funds

The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, golf, heliport, storm water management, parks performance, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for group health, self-insurance, long-term disability insurance, fleet, vehicle replacement, information technology, facilities management, warehouse, and customer service operations. The internal service funds are allocated between the governmental and business-type activities based on the level of support each internal service provides to a governmental and business-type activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The electric, water, and sewer operations are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds can be found on pages 117-121 and for the internal service funds on pages 123-125.

The proprietary fund financial statements can be found on pages 32-36 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-95 of this report.

Other information

Required supplementary information concerning the General Fund schedule of revenues, expenditures, and changes in fund balances – budget and actual for the year ended September 30, 2021, the net pension liability schedules, and the City's Net Other Postemployment Benefits (OPEB) liability schedules, are presented on pages 96-102 of this report.

Government-wide Financial Analysis

Total assets and deferred outflows at fiscal year-end amount to $2,883,904,962. Current and other assets comprise 34.99% and capital assets comprise 63.61% of the total assets and deferred outflows. Total assets and deferred outflows increased $358,500,318 during the fiscal year.

Total liabilities and deferred inflows at the end of the fiscal year amount to $1,777,383,943. Long-term liabilities comprise 86.32% and other liabilities comprise 11.53% of the total liabilities and deferred inflows. Total liabilities and deferred inflows increased $280,487,352 during the fiscal year.

As mentioned earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows (net position) by $1,106,521,019 for the fiscal year ended September 30, 2021. The largest portion of the City's net position, $699,876,646, represents 63.25% of the total net assets and reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and systems) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, $255,098,653, represents 24.44% of the total net position and represents resources that are subject to external restrictions on how they may be used. These restrictions are detailed in revenue bond debt covenants, the City of Garland Charter, grant contracts, and state law. The remaining balance of unrestricted net position, $151,545,720, represents 11.28% of total net position and may be used to meet the City's ongoing obligations to citizens and creditors.

A comparative schedule of condensed government-wide net position is presented on the following page.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 301,388,288	$ 235,643,154	$ 707,614,321	$ 557,343,482	$ 1,009,002,608	$ 792,986,636
Capital assets	589,080,804	518,405,450	1,245,280,579	1,177,173,868	1,834,361,383	1,695,579,318
Total assets	890,469,091	754,048,604	1,952,894,900	1,734,517,350	2,843,363,991	2,488,565,954
Total deferred outflows of resources	28,675,491	26,466,520	11,865,480	10,372,170	40,540,971	36,838,690
Long-term liabilities Outstanding	437,877,581	402,350,437	1,096,351,856	925,885,394	1,534,229,437	1,328,235,831
Other liabilities	151,256,087	91,173,271	53,736,302	38,311,607	204,992,389	129,484,878
Total liabilities	589,133,668	493,523,708	1,150,088,158	964,197,001	1,739,221,826	1,457,720,709
Total deferred inflows of resources	24,153,280	27,334,035	14,008,837	11,841,847	38,162,117	39,175,882
Net position:						
Net investment in capital assets	251,747,773	237,358,502	448,128,873	430,385,905	699,876,646	667,744,407
Restricted for:						
Debt Service	7,422,565	5,720,083	8,069,727	8,065,723	15,492,292	13,785,806
Construction	1,951,780	2,072,994	-	-	1,951,780	2,072,994
Rate Mitigation	-	-	217,304,237	192,192,288	217,304,237	192,192,288
Collateral	-	-	11,384,771	-	11,384,771	-
Housing Assistance	3,607,673	3,943,520	-	-	3,607,673	3,943,520
Other Grant Programs	5,357,900	4,710,897	-	-	5,357,900	4,710,897
Unrestricted	35,769,943	5,851,385	115,775,777	138,206,756	151,545,720	144,058,141
Total net position	$ 305,857,634	$ 259,657,381	$ 800,663,385	$ 768,850,672	$ 1,106,521,019	$ 1,028,508,053

The total net position increased $78,012,966 in the 2021 fiscal year. Governmental activities increased $46,200,253 while the business-type activities increased this total by $31,812,713. These increases are discussed in the governmental activities section and the business-type activities section of this overview and analysis.

Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 51,868,097	$ 50,209,395	$ 512,223,159	$ 442,187,138	$ 564,091,256	$ 492,396,533
Operating grants and contributions	23,114,835	31,861,124	854,633	-	23,969,468	31,861,124
Capital grants and contributions	8,014,890	10,947,632	3,502,161	4,070,500	11,517,051	15,018,132
General Revenues:						
Property taxes	133,819,570	124,854,949	-	-	133,819,570	124,854,949
Sales taxes	35,580,376	30,527,171	-	-	35,580,376	30,527,171
Other taxes	9,050,307	8,709,766	-	-	9,050,307	8,709,766
Unrestricted interest earnings	130,798	3,720,948	289,125	6,819,640	419,923	10,540,588
Miscellaneous	198,927	129,546	9,547,515	12,185,399	9,746,442	12,314,945
Total Revenues	261,777,800	260,960,531	526,416,593	465,262,677	788,194,393	726,223,208
Expenses:						
General government	42,122,789	42,142,722	-	-	42,122,789	42,142,722
Public safety	118,229,934	120,243,599	-	-	118,229,934	120,243,599
Public works	57,058,678	48,199,894	-	-	57,058,678	48,199,894
Culture and recreation	24,808,132	26,708,528	-	-	24,808,132	26,708,528
Public health	5,320,061	5,072,234	-	-	5,320,061	5,072,234
Interest and fiscal charges	6,508,036	6,648,006	-	-	6,508,036	6,648,006
Electric	-	-	319,876,181	241,329,104	319,876,181	241,329,104
Water	-	-	66,983,984	67,600,465	66,983,984	67,600,465
Sewer	-	-	38,716,017	39,666,456	38,716,017	39,666,456
Golf	-	-	4,650,746	4,705,089	4,650,746	4,705,089
Heliport	-	-	31,605	23,272	31,605	23,272
Storm Water Management	-	-	4,486,235	4,285,236	4,486,235	4,285,236
Parks Performance	-	-	447,070	705,424	447,070	705,424
Sanitation	-	-	20,941,959	20,979,102	20,941,959	20,979,102
Total expenses	254,047,630	249,014,983	456,133,797	379,294,148	710,181,426	628,309,131
Change in net position before transfers	7,730,170	11,945,548	70,282,796	85,968,529	78,012,966	97,914,077
Transfers	38,470,083	38,173,776	(38,470,083)	(38,173,776)	-	-
Increase (decrease) in net position	46,200,253	50,119,324	31,812,713	47,794,753	78,012,966	97,914,077
Net position - beginning	259,657,381	209,538,057	768,850,672	721,055,919	1,028,508,053	930,593,976
Net position - ending	$305,857,634	$ 259,657,381	$ 800,663,385	$768,850,672	$1,106,521,019	$ 1,028,508 053

Governmental activities

Governmental activities increased the City's net position by $46,200,254 in fiscal year 2021. Key factors that contributed to this improvement are discussed below.

Revenues by Source – Governmental Activities

Revenues by Source

	2021		2020		Amount	Percentage
	Amount	Percentage	Amount	Percentage	Change	Change
Charges for services	$ 51,868,097	19.81%	$ 50,209,395	19.24%	$ 1,658,702	3.30%
Operating grants and contributions	23,114,835	8.83%	31,861,124	12.21%	(8,746,289)	-27.45%
Capital grants and contributions	8,014,890	3.06%	10,947,632	4.20%	(2,932,742)	-26.79%
Property taxes	133,819,570	51.12%	124,854,949	47.84%	8,964,621	7.18%
Sales taxes	35,580,376	13.59%	30,527,171	11.70%	5,053,205	16.55%
Other taxes	9,050,307	3.46%	8,709,766	3.34%	340,541	391.%
Unrestricted interest earnings	130,798	0.05%	3,720,948	1.43%	(3,590,150)	-96.48%
Miscellaneous	198,927	0.08%	129,546	0.04%	69,381	53.56%
Total Revenues	$261,777,800		$260,960,531		$ 817,269	

Key changes in revenue by source included the following:

Charges for services revenue increased $1,658,702. This increase is directly attributed to FY20 closures or limited capacity of the municipal court and other City facilities during the COVID-19 pandemic.

Operating grants and contribution revenue decreased $8,746,289 in FY2021 due to receipt of CARES Act funding during FY20. These funds were utilized by the City to respond to the COVID-19 public health emergency.

Property tax revenue increased $8,964,621 due to an increase of 5.1% from last year's valuation. New constructions account for 1.8% of the increase in property values, while existing properties contributed 3.3%.

Sales tax revenue increased $5,053,205 in FY2021 due to increased collections and a strong economic rebound from the COVID-19 pandemic and stay at home orders experienced in FY2020.

Unrestricted interest earnings decreased $3,590,150 in FY2021 due to a significant drop in interest rates.

Expenses by Source - Governmental Activities

Expenses by Source

	2021	2020	Change
General government	$ 42,122,789	$ 42,142,722	$ (19,933)
Public safety	118,229,934	120,243,599	(2,013,665)
Public works	57,058,678	48,199,894	8,858,784
Culture and recreation	24,808,132	26,708,528	(1,900,396)
Public health	5,320,061	5,072,234	247,827
Interest and fiscal charges	6,508,036	6,648,006	(139,970)
Total Expense	$ 254,047,630	$ 249,014,983	$ 5,032,647

Key changes in expenses by source for governmental activities are as follows:

Public Works expenses increased $8,858,784 in FY2021 due to updates made to the Hinton Landfill closure and post-closure cost study made by an independent engineer and approved by the Texas Commission of Environmental Quality in FY 2021. The updates included closure and post closure cost estimates for the newly constructed Hinton Landfill Cell #8 and #9 which is projected to provide waste capacity for the next ten years. While these closure and post-closure cost will be paid at a future date, after the Hinton Landfill stops collecting waste, the City reports a portion of these costs as an operating expenditure based on landfill capacity used as of each fiscal year end.

Public Safety, Culture and Recreation, and General Government expenses decreased due to a reduction in actuarial determined Pension and OPEB expenses in FY 2021.

Business-type Activities

Business-type activities increased the City's net position by $31,812,713. Key factors that contributed to the change are discussed below.

- The electric utility incurred a net income of $21,904,457. The net income for the electric utility decreased $17,821,482 from the prior fiscal year as a result of the following:
  - Decrease in joint operating agreement revenue.
  - Increase in fuel and energy.
  - Decrease in investment income.

- The water utility incurred a net income of $5,265,641. The net income for the water utility decreased $2,941,202, from the prior fiscal year as a result of the following:
  - Water consumption decreased 5.8% in FY21 from levels experienced in FY20.

- The sewer utility incurred a net income of $4,016,677. The net income for the sewer utility increased $714,355, from the prior fiscal year as a result of the following:
  - Customer city and major industrial services increased by 4.8% from the prior fiscal year.

- The combined net loss for non-major enterprise funds (golf, heliport, storm water management, parks performance, and sanitation) amounted to $296,875. Net position and operating reserves are more than sufficient to cover this loss.

Revenues by Source – Business-type Activities

	Charges for Services			Operating Grants and Contributions		
	2021	2020	Change	2021	2020	Change
Electric	$ 356,541,531	$ 284,768,630	$ 71,772,901	$ -	$ -	$ -
Water	75,816,909	79,828,745	(4,011,836)	784,633	-	784,633
Sewer	48,655,766	47,421,755	1,234,011	-	-	-
Non-major Enterprise	31,208,953	30,168,008	1,040,945	70,000	-	70,000
Total	$ 512,223,159	$ 442,187,138	$ 70,036,021	$ 854,633	$ -	$ 854,633

	Capital Grants and Contributions			Miscellaneous		
	2021	2020	Change	2021	2020	Change
Electric	$ 184,724	$ 189,014	$ (4,290)	$ 8,356,655	$11,570,398	$ (3,213,743)
Water	2,397,552	2,424,466	(26,914)	999,611	390,132	609,479
Sewer	919,885	1,457,020	(537,135)	97,865	105,920	(8,055)
Non-major Enterprise	-	-	-	93,384	118,949	(25,565)
Total	$ 3,502,161	$ 4,070,500	$ (568,339)	$ 9,547,515	$12,185,399	$ (2,637,884)

Expenses by Source – Business-type Activities

	2021	2020	Amount Change	Percentage Change
Electric	$319,876,181	$ 241,329,104	$ 78,547,077	32.55%
Water	66,983,984	67,600,465	(616,481)	-0.91%
Sewer	38,716,017	39,666,456	(950,439)	-2.40.%
Non-Major	30,557,615	30,698,123	(140,508)	-0.46.%
	$456,133,797	$ 379,294,148	$ 76,839,649	20.26.%

Fiduciary funds

In the 2009 fiscal year, the City established an Other Post Employment Benefit Trust Fund which allows the City to capture long-term returns to make progress towards reducing the unfunded liability of post-employment health care. A $1,505,000 contribution in excess of the pay-as-you-go costs was made to the trust fund during the 2021 fiscal year. The City will make future contributions to the trust fund as economic conditions permit to lower the OPEB unfunded actuarial accrued liability and to ensure that funding is available for future retiree medical benefits.

Capital Asset and Debt Administration

Capital Assets

At the end of the 2021 fiscal year, the City had $1,834,361,383 invested in a broad range of capital assets including police and fire equipment, buildings, park facilities, roads, bridges, an electric system, a water system, and a sewer system. This amount represents a net increase of $138,782,065 or 8.18% increase from the prior fiscal year. Key elements of this change are as follows:

Capital Assets at Fiscal Year-end
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 114,659,259	$ 109,962,066	$ 46,121,482	$ 45,888,564	$ 160,780,741	$ 155,850,630
Construction in Progress	130,252,334	75,230,029	73,999,590	67,856,141	204,251,924	143,086,170
Building, Improvements, equipment and systems	344,169,211	333,213,355	1,125,159,507	1,063,429,163	1,469,328,718	1,396,642,518
Total capital assets	$ 589,080,804	$ 518,405,450	$1,245,280,579	$1,177,173,868	$1,834,361,383	$1,695,579,318

Major capital asset additions for the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
Citywide Street Improvements	$ 26,372
GP&L Transmission Poles, OH Conductor Devices, and Fixtures	21,205
GP&L Substation Transmission Equipment	17,211
GP&L Distribution Poles, Transformers, Towers, & US Conductors and Devices	14,165
GP&L Substation Distribution Equipment	10,016
Pleasant Valley Road and Stormwater Improvements	7,294
Relocate Sewer Mains	6,392
Rowlett Creek WWTP Effluent Filter Rehabilitation	5,598
Relocate Water Mains	4,743
Sewer Collections Mains	4,156
Radio Communication System Upgrades	3,509
Infiltration Correction Improvements	3,292
Radio Read Water Meter Replacement Program	2,961
Rowlett Creek WWTP Equipment Modifications and Replacement	2,742
Water Transmission Mains	2,599
Water Distribution Lines	2,125
Upgrade Undersized Water Mains	1,526
Replaced Water Distribution Lines	1,502
Rowlett Creek WWTP Primary Clarifier Improvements	1,223
Citywide Water Service Improvements	1,181
Library Materials	810
Land Management Inspection Software	419
Disaster Recovery System	236

A few of the Capital Improvement Program projects under construction at the end of the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
Shiloh Road	$20,339
McCree Substation Autotransformer	11,853
Duck Creek WWTP Odor Control	8,777
Animal Shelter Adoption Facility	8,621
Police Evidence Room	6,057
Audobon Recreation Center	5,323
Lookout Service for Static Var System	5,199
Naaman School Road	4,427
Traffic Control System Upgrades	4,022
Bobtown Road	3,725
Banner Upgrade	3,577
Replace Fire Apparatus	3,349
Hinton Waste Cell #8 Expansion	3,100
Water Pump Station Emergency Generators	3,005
Rick Oden Park Improvements	2,925
Holford Road	2,867
Parks Trail Development Program	2,842
Sewer Collection Mains Replacement Program	2,833
Citywide Street Reconstruction Program	2,553
North Sound Bikeway	2,484
Downtown Streets and Square Improvements	2,399
Playground Replacement Program	2,327
Duck Creek WWTP Replacements/Mods.	2,211
Duck Creek Interceptor Rehab	2,008
Bottleneck Improvement Program	1,920
Spencer Cooling Tower Rebuild	1,821
Distribution Lines (Up to 14-inch)	1,797
Parks Playground Improvements	1,777

Additional information on the City's capital assets can be found in note IV.C on pages 57-59 of this report.

Debt

Debt issues outstanding for the fiscal years 2021 and 2020 were as follows:

	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	Change
Long-Term:							
General obligation bonds	$ 170,750,000	$ 152,295,000	$ 690,000	$ 3,680,000	$ 171,440,000	$ 155,975,000	$ 15,465,000
Certificates of obligation	109,605,000	103,080,000	10,850,000	10,980,000	120,455,000	114,060,000	6,395,000
Utility system revenue bonds	-	-	918,150,000	682,665,000	918,150,000	682,665,000	235,485,000
Commercial paper	-	-	57,500,000	83,235,000	57,500,000	83,235,000	(25,735,000)
Total Long-Term	280,355,000	255,375,000	987,190,000	780,560,000	1,267,545,000	1,035,935,000	231,610,000
Short-Term:							
Commercial Paper	31,000,000	12,500,000	-	-	31,000,000	12,500,000	18,500,000
Tax Note	29,355,000	24,860,000	-	-	29,355,000	24,860,000	4,495,000
Total Short-Term	60,355,000	37,360,000	-	-	60,355,000	37,360,000	22,995,000
Total outstanding debt	$ 340,710,000	$ 292,735,000	$ 987,190,000	$ 780,560,000	$ 1,327,900,000	$ 1,073,295,000	$ 254,605,000

During the fiscal year, the City issued the following debt:

Issue	Principal	Bond Ratings		
		Standard & Poor's	Fitch IBCA	Moody's
Long-term				
Certificates of Obligation Bonds, Series 2021	$ 20,725,000	AA+	AAA	-
General Obligation Refunding Bonds, Series 2021	39,340,000	AA+	AAA	-
Electric Utility System Revenue Refunding Bonds, New Series 2021	52,260,000	-	AA-	Aa3
Electric Utility System Revenue Refunding Bonds, New Series 2021A	53,185,000	-	AA-	A1
Electric Utility System Revenue Refunding Bonds, New Series 2021B	153,105,000	-	AA-	A1
Water and Sewer System Revenue Refunding Bonds, New Series 2021	34,725,000	AA-	AA	-
Short-term				
Tax Anticipation Note, Series 2021	29,355,000			
Total debt financing	$382,695,000			

The proceeds of the Certificates of Obligation Bonds, Series 2021 will be used for the following:

- Constructing, equipping, and improving various facilities in the City,
- Acquiring equipment and vehicles for public safety, the environmental waste services department, the stormwater management department, and the municipal street department,
- Acquiring land for environmental waste services facilities,
- Street improvements and infrastructure improvements.

The proceeds of the General Obligation Refunding Bonds, Series 2021 were used to refund Certificates of Obligation Bonds, Series 2011 at the call date and to takeout $42,000,000 of commercial paper debt, Series 2015.

The proceeds of the Electric Utility System Revenue Refunding Bonds, New Series 2021 were used to refund Electric Utility System Revenue Bonds, Series 2011 at the call date and takeout $54,760,000 of commercial paper debt, Series 2018.

The proceeds of the Electric Utility System Revenue Refunding Bonds, New Series 2021A were used to takeout $62,975,000 of commercial paper debt, Series 2018.

The proceeds of the Electric Utility System Revenue Refunding Bonds, New Series 2021B were used to refund Electric System Subordinate Lien Revenue Note, Taxable Series 2021.

The proceeds of the Water and Sewer System Revenue Refunding Bonds, New Series 2021 were used to refund Water & Sewer Revenue Bonds, Series 2011 at the call date and takeout $25,850,000 of commercial paper debt, Series 2015.

In fiscal year 2010, the City along with other TMPA member cities elected to issue bonds based on the percentage of their annual net energy load and placed the proceeds with TMPA. Since the proceeds from the issuance of this debt will benefit the City over future years the City has elected to record an other asset and a corresponding bonds payable liability, reoffering premium, interest and sinking fund deposit, underwriters discount and issuance cost to record this transaction. The other asset of $138,252,850 is being amortized using a straight-line method over a period of 20 years based on the life of the economic benefit that the City is receiving from this transaction. During the current fiscal year, the City amortized $6,912,643 of the asset resulting in a fiscal year-end balance in other assets of $58,757,460. In September, 2018, the generation portion of the TMPA other asset became impaired and was recorded as a GASB 62 Regulatory Asset in Other Assets to be amortized through FY2030. On June 28, 2019, ERCOT was notified of the plan to move TMPA's generation plant, Gibbons Creek, to a status of decommissioned and retired. On February 10, 2021, TMPA sold the Gibbons Creek power plant. The decommissioning assets were written off. Further information related to the asset impairment, decommissioning liability, and sale is available on pages 85-87.

Additional information on the City's debt can be found in note IV.E of this report.

The City's Funds

At the close of the City's fiscal year, the governmental funds of the City reported a combined fund balance of $124,245,516, an increase of $656,965 from the prior fiscal year.

The General Fund ended the fiscal year with a fund balance of $50,978,749 which was a decrease of $1,676,712 from the prior fiscal year. The Debt Service fund ended the fiscal year with a fund balance of $8,891,681 which is an increase of $1,667,450. The Capital Projects Funds ended the fiscal year with a fund balance of $118,619,609 which is an increase of $27,962,631 from the prior fiscal year.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2021, the City Council amended the budget for the General Fund on multiple occasions. The amendments were comprised of supplemental appropriations and adjusted budgets. Appropriations are adjusted annually for open purchase orders and various grant awards. Budgets are reviewed and adjusted during the fiscal year to address changing operational and/or economic situations. These amendments amounted to increased appropriations of $8,782,207.

Economic Factors and Next Year's Budgets and Rates

The City's unemployment rate at September 30, 2021 was 4.4% and the State of Texas unemployment rate was 5.6%. The City's estimated population of 246,173 (as estimated at January 1, 2021 by the City's Planning department) remained virtually unchanged from the prior year.

The budget priorities for FY2020-21 are primarily focused on weathering the financial impacts of the pandemic and realigning resources to meet high priority needs.

These priorities include:

- Maintain current City service levels.
- Provide resources to maintain implementation of the 2019 bond program.
- Address the need for additional 911 dispatchers.
- Maintain a high level of excess reserves for future needs.

To address these priorities, the FY2020-21 adopted budget included proactive cost-saving measures such as department reductions to operations and capital budget, banking 11 full-time and five part-time positions, elimination of six full-time positions, and the suspension of merit and salary increases. To ensure the City has flexibility to react to unexpected financial shortfalls or emergency needs, the approved budget maintains the $5.3 million reserve established last year in the General Fund.

The FY2020-21 Adopted Budget was developed during the uncertainty of the pandemic and assumed a pandemic-driven recession and stagnation of revenues. Fortunately, Garland has not seen this materialize.

The budget priorities for FY2021-22 are primarily focused on addressing deferred staffing and operational needs, restoring employee compensation increases, and enhancing maintenance and programs to capitalize on improvements underway as part of the 2019 Bond Program.

These priorities include:

- Address operational staffing needs
- Enhance park operation funding
- Restore employee merit/compensation increases to remain competitive
- Maintain an additional 10 days above the 30-day General Fund balance requirement

To address these priorities, the FY 2021-22 Adopted Budget includes three additional Firefighters and one Police Mental Health Clinician to assist in providing vital public safety services. The Budget includes the addition of an Adoption Specialist and Veterinarian Technician to support the new Animal Shelter facility and three full-time Deputy Marshals for parking enforcement and security at Main Street Municipal Building.

Additional state grants received by the Public Health/Immunization Grant Fund will fund six full-time positions, including medical and social services personnel, to continue our COVID-19 response efforts. The City's utilities will add eight additional positions to meet growing customer needs.

The Budget includes enhancements to park maintenance and operations to support the improvements to park and recreation facilities underway as part of the 2019 Bond Program, such as increased grounds and facility maintenance, additional landscaping, upgraded ballfield maintenance, and a new Aquatics Technician to support splash pads. The budget also includes the restoration of employee merits/compensation increases as well as a vaccination incentive. Finally, to maintain the City's ability to react to unexpected financial shortfalls or emergency needs, the approved budget maintains an additional 10 days' reserve above the 30-day fund balance requirement in the General Fund.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial Services Department at the City of Garland, 200 North Fifth Street, Garland, TX 75040 or through the City's internet site www.garlandtx.gov.

GARLAND

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City of Garland, Texas
Statement of Net Position
September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	As of December 31, 2020
ASSETS				
Cash and cash equivalents	$ 210,195,607	$ 101,525,857	$ 311,721,464	$ 2,114,181
Investments	45,731,116	28,458,538	74,189,654	-
Accounts Receivable, net of allowance for uncollectibles	21,496,851	82,235,081	103,731,932	2,261,385
Due from other governments	1,061,798	-	1,061,798	-
Due from other funds	-	-	-	-
Internal Balances	(19,973,660)	19,973,660	-	-
Inventories	6,699,188	5,433,534	12,132,722	-
Prepaid and other items	-	1,189,213	1,189,213	1,051
Derivative instrument-energy risk management	-	2,895,317	2,895,317	-
Restricted Assets:				
Cash and cash equivalents	35,762,298	231,005,329	266,767,627	-
Investments	31,747	38,651,882	38,683,629	-
Accrued interest	48	14,575	14,623	-
Assets held for resale	383,294	-	383,294	273,791
Other Assets	-	195,691,861	195,691,861	-
Derivative instrument-energy risk management	-	539,474	539,474	-
Capital Assets:				
Land	114,659,259	46,121,482	160,780,741	13,984,059
Construction in Progress	130,252,334	73,999,590	204,251,924	-
Buildings, Improvements, Equipment and System (net of accumulated depreciation)	344,169,211	1,125,159,507	1,469,328,718	1,959
Total assets	890,469,091	1,952,894,900	2,843,363,991	18,636,426
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	57,827	1,070,212	1,128,039	-
Deferred charges on pensions	16,525,014	6,171,769	22,696,783	-
Deferred charges on OPEB	12,092,650	4,232,815	16,325,465	-
Deferred charges on ARO	-	390,684	390,684	-
Total deferred outflows of resources	28,675,491	11,865,480	40,540,971	-
LIABILITIES				
Accounts payable and accrued liabilities	27,241,590	35,750,348	62,991,938	-
Escrow payable	522,605	296,721	819,326	-
Retainage payable	2,441,302	1,531,821	3,973,123	-
Accrued interest payable	1,469,116	3,255,696	4,724,812	-
Customer deposits	18,761,092	11,384,771	30,145,863	-
Tax Note Payable	29,355,000	-	29,355,000	-
Commercial Paper	31,000,000	-	31,000,000	-
Unearned revenue	40,465,382	1,516,945	41,982,327	6,246,552
Noncurrent Liabilities:				
Due within one year	49,938,238	49,763,657	99,701,895	317,763
Due in more than one year	387,939,343	1,046,588,199	1,434,527,542	9,178,366
Total liabilities	589,133,668	1,150,088,158	1,739,221,826	15,742,681
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on debt refunding	219,355	1,700,439	1,919,794	-
Deferred charges on pensions	21,157,129	7,901,639	29,058,768	-
Deferred charges on OPEB	2,776,796	971,968	3,748,764	-
Deferred charges on derivatives	-	3,434,791	3,434,791	-
Total deferred inflows of resources	24,153,280	14,008,837	38,162,117	-
NET POSITION				
Net investment in capital assets	251,747,773	448,128,873	699,876,646	1,141,255
Restricted for:				
Debt Service	7,422,565	8,069,727	15,492,292	-
Construction	1,951,780	-	1,951,780	-
Rate Mitigation	-	217,304,237	217,304,237	-
Collateral	-	11,384,771	11,384,771	-
Housing	3,607,673	-	3,607,673	-
Other Grant Programs	5,357,900	-	5,357,900	-
Unrestricted net position	35,769,943	115,775,777	151,545,720	1,752,490
Total net position	$ 305,857,634	$ 800,663,385	$ 1,106,521,019	$ 2,893,745

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit as of 12/31/2020
Primary Government								
Governmental activities:								
General government	$ 42,122,789	$ 9,632,574	$ 21,286,943	$ 350,000	$ (10,853,272)	$ -	$ (10,853,272)	$ -
Public safety	118,229,934	17,458,794	773,238	-	(99,997,902)	-	(99,997,902)	-
Public works	57,058,678	23,623,136	-	7,664,890	(25,770,652)	-	(25,770,652)	-
Culture and recreation	24,808,132	745,087	3,529	-	(24,059,516)	-	(24,059,516)	-
Public health	5,320,061	408,506	1,051,125	-	(3,860,430)	-	(3,860,430)	-
Interest and fiscal charges	6,508,036	-	-	-	(6,508,036)	-	(6,508,036)	-
Total governmental activities	254,047,630	51,868,097	23,114,835	8,014,890	(171,049,808)	-	(171,049,808)	-
Business type activities:								
Electric	319,876,181	356,541,531	-	184,724	-	36,850,074	36,850,074	-
Water	66,983,984	75,816,909	784,633	2,397,552	-	12,015,110	12,015,110	-
Sewer	38,716,017	48,655,766	-	919,885	-	10,859,634	10,859,634	-
Golf	4,650,746	4,142,530	-	-	-	(508,216)	(508,216)	-
Heliport	31,605	7,640	-	-	-	(23,965)	(23,965)	-
Storm Water Management	4,486,235	4,986,272	-	-	-	500,037	500,037	-
Parks Performance	447,070	538,925	-	-	-	91,855	91,855	-
Sanitation	20,941,959	21,533,586	70,000	-	-	661,627	661,627	-
Total business-type activities	456,133,797	512,223,159	854,633	3,502,161	-	60,446,156	60,446,156	-
Total primary government	$ 710,181,427	$ 564,091,256	$ 23,969,468	$ 11,517,051	(171,049,808)	60,446,156	(110,603,652)	-
Component units								
Garland Housing Finance Corp.	$ 583,377	$ 1,559,008	$ -	$ -				$ 975,631
	$ 583,377	$ 1,559,008	$ -	$ -				
General revenues:								
Sales taxes					35,580,376	-	35,580,376	-
Franchise fees based on gross receipts					7,119,922	-	7,119,922	-
Property taxes					133,819,570	-	133,819,570	-
Hotel/Motel taxes					1,380,570	-	1,380,570	-
Mixed drink taxes					407,951	-	407,951	-
Bingo taxes					141,864	-	141,864	-
Unrestricted investment earnings					130,798	289,125	419,923	34,328
Miscellaneous					198,927	9,547,515	9,746,442	191,151
Transfers					38,470,083	(38,470,083)	-	-
Total general revenues and transfers					217,250,061	(28,633,443)	188,616,618	225,479
Change in net position					46,200,253	31,812,713	78,012,966	1,201,110
Net position - beginning					259,657,381	768,850,672	1,028,508,053	1,692,635
Net position-ending					$ 305,857,634	$ 800,663,385	$ 1,106,521,019	$ 2,893,745

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Balance Sheet
September 30, 2021

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 38,971,233	$ 8,173,110	$ 99,336,799	$ 17,803,024	$ 164,284,166
Investments	10,225,423	-	18,928,678	4,590,111	33,744,212
Receivables:					
Accounts, net	14,085,610	-	-	4,085,396	18,171,006
Taxes, net	753,772	718,571	-	-	1,472,343
Accrued interest	53,640	-	57,035	23,160	133,835
Assessments	16,032	-	-	-	16,032
Other	-	-	297,097	-	297,097
Due from other funds	7,257,179	-	-	-	7,257,179
Due from other governments	379,327	-	-	682,471	1,061,798
Assets held for resale	-	-	-	383,294	383,294
Total Current Assets	71,742,216	8,891,681	118,619,609	27,567,456	226,820,962
Restricted assets:					
Cash and cash equivalents	-	-	-	35,721,009	35,721,009
Investments	-	-	-	8,710	8,710
Total Restricted Assets	-	-	-	35,729,719	35,729,719
Total Assets	$ 71,742,216	$ 8,891,681	$ 118,619,609	$ 63,297,175	$ 262,550,681
LIABILITIES					
Accounts payable and accrued liabilities	$ 13,283,093	$ -	$ 6,890,326	$ 1,701,050	$ 21,874,469
Accrued interest-CO's	-	-	-	5,066	5,066
Escrow payable	-	-	28,762	493,843	522,605
Due to other funds	-	-	5,011,409	147,249	5,158,658
Unearned revenues	497,395	-	2,136,481	37,831,506	40,465,382
Retainage payable	63,591	-	2,377,711	-	2,441,302
Tax note payable	-	-	29,355,000	-	29,355,000
Commercial paper	-	-	31,000,000	-	31,000,000
Total Liabilities	13,844,079	-	76,799,689	40,178,714	130,822,482
DEFERRED INFLOWS OF RESOURCES	6,919,388	563,295	-	-	7,482,683
FUND BALANCES					
Fund balances:					
Restricted	1,951,780	8,328,386	32,085,846	8,965,573	51,331,585
Committed	9,380,541	-	-	14,176,005	23,556,546
Assigned	12,222,677	-	9,734,074	-	21,956,751
Unassigned	27,423,751	-	-	(23,117)	27,400,634
Total Fund Balances	50,978,749	8,328,386	41,819,920	23,118,461	124,245,516
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 71,742,216	$ 8,891,681	$ 118,619,609	$ 63,297,175	$ 262,550,681

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2021

Total fund balances - governmental funds	$	124,245,516
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		533,351,393
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.		7,482,683
Deferred outflows related to pensions.		14,359,124
Deferred outflows related to OPEB.		10,119,925
Bond interest is not accrued at the fund level.		(1,355,773)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:		
Bonds payable		(262,935,000)
Landfill closure costs		(26,151,921)
Compensated absences		(24,478,879)
Unamortized premium on refunding		(19,341,441)
Other Post Employment Benefits liability payable		(54,213,556)
Deferred loss on debt refunding		41,039
Deferred gain on debt refunding		(202,763)
Net pension liability		(7,223,182)
Deferred inflows related to pensions		(18,384,099)
Deferred inflows related to OPEB.		(2,323,806)
Internal service funds net position adjustment excluding assets and liabilities included in the adjustments listed above. Internal service funds are used by management to charge the costs of various services to individual funds. Certain assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		32,868,374
Total net position - governmental activities	$	305,857,634

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 102,260,748	$ 64,201,160	$ -	$ 3,521,405	$ 169,983,313
Franchise fees	7,119,922	-	-	-	7,119,922
Service charges	31,240,300	-	-	-	31,240,300
Licenses and permits	4,981,566	-	-	-	4,981,566
Earnings on investments	228,237	7,970	(125,513)	27,978	138,672
Intergovernmental	1,054,654	-	182,961	21,456,448	22,694,063
Charges for services	10,445,154	-	-	-	10,445,154
Fines and forfeits	4,563,460	-	-	-	4,563,460
Rents and concessions	532,355	-	-	-	532,355
Assessments	-	-	96,227	-	96,227
Impact fees	-	-	-	2,222,381	2,222,381
Contributions	-	-	-	350,000	350,000
Program income	-	-	-	573,958	573,958
Court awarded seizures	-	-	-	211,981	211,981
Miscellaneous and other	-	19,415	2,890,152	407,718	3,317,285
Total revenues	162,426,396	64,228,545	3,043,827	28,771,869	258,470,637
EXPENDITURES					
Current:					
General government	12,671,060	-	92,529	-	12,763,589
Public safety	106,576,228	-	-	-	106,576,228
Public works	20,081,425	-	-	-	20,081,425
Culture and recreation	16,796,831	-	-	-	16,796,831
Public health	4,768,937	-	-	-	4,768,937
Nondepartmental	29,205,434	-	-	-	29,205,434
Operations	-	-	-	26,297,104	26,297,104
Capital outlay	26,916,038	-	69,848,664	5,078,647	101,843,349
Debt service:					
Principal	-	28,719,386	-	500,614	29,220,000
Interest	-	9,343,304	-	411,523	9,754,827
Issue costs on issuance of debt	-	10,426	-	-	10,426
Other and fiscal expenditures	-	289,305	505,396	-	794,701
Total expenditures	217,015,953	38,362,421	70,446,589	32,287,888	358,112,851
Excess (deficiency) of revenues over (under) expenditures	(54,589,557)	25,866,124	(67,402,762)	(3,516,019)	(99,642,214)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	153,384	-	-	-	153,384
Transfers in	56,740,620	685,319	27,810,932	6,436,387	91,673,258
Transfers out	(3,981,159)	(24,937,150)	(24,224,457)	(832,703)	(53,975,469)
Issuance of debt	-	-	55,960,000	-	55,960,000
Premium on issuance of debt	-	154,050	6,498,221	-	6,652,271
Issuance of refunding bonds	-	875,000	-	-	875,000
Payment to refunded bonds escrow agent	-	(1,039,265)	-	-	(1,039,265)
Total other financing sources (uses)	52,912,845	(24,262,046)	66,044,696	5,603,684	100,299,179
Net change in fund balances	(1,676,712)	1,604,078	(1,358,066)	2,087,665	656,965
Fund balances - beginning	52,655,461	6,724,308	43,177,986	21,030,796	123,588,551
Fund balances - ending	$ 50,978,749	$ 8,328,386	$ 41,819,920	$ 23,118,461	$ 124,245,516

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ 656,965
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	75,429,283
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,267,246
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(39,233,666)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	6,924,950
Other Post Employment Benefits liability is accrued in the government wide financial statements but not at the fund level.	(609,276)
Interest is accrued in the government wide financial statements but not at the fund level. This represents the change in the accrual during the period.	19,440
Internal service funds are used by management to charge the costs of vehicle services, building services, printing services, and insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	1,745,311
Net change in net position-total governmental activities	$ 46,200,253

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2021

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 65,753,414	$ 15,474,580	$ 16,201,371	$ 4,096,492	$ 101,525,857	$ 45,911,441
Investments	19,524,353	3,554,823	4,299,641	1,079,721	28,458,538	11,986,904
Receivable, net of allowance	65,794,868	8,144,013	5,531,592	2,707,306	82,177,779	1,363,457
Accrued interest	31,684	9,711	11,970	3,937	57,302	43,081
Inventories	5,381,715	-	-	51,819	5,433,534	6,699,188
Prepaid expense	1,189,213	-	-	-	1,189,213	-
Derivative instruments-energy risk management	2,895,317	-	-	-	2,895,317	-
Total current assets	160,570,564	27,183,127	26,044,574	7,939,275	221,737,540	66,004,071
Noncurrent Assets:						
Restricted assets						
Revenue bond reserve fund:						
Cash and cash equivalents	-	3,507,264	4,562,463	-	8,069,727	-
Total revenue bond reserve fund	-	3,507,264	4,562,463	-	8,069,727	-
Rate mitigation:						
Cash and cash equivalents	179,799,851	-	-	-	179,799,851	-
Investments	37,494,419	-	-	-	37,494,419	-
Accrued interest	9,967	-	-	-	9,967	-
Total rate mitigation	217,304,237	-	-	-	217,304,237	-
Collateral:						
Cash and cash equivalents	11,384,771	-	-	-	11,384,771	-
Total collateral	11,384,771	-	-	-	11,384,771	-
Construction funds:						
Cash and cash equivalents	18,431,629	5,262,426	6,514,239	1,542,686	31,750,980	41,288
Investments	289,297	63,213	413,209	391,744	1,157,463	23,037
Accrued interest	1,167	239	1,693	1,509	4,608	48
Total construction funds	18,722,093	5,325,878	6,929,141	1,935,939	32,913,051	64,373
Other Assets	195,691,861	-	-	-	195,691,861	-
Advance to other funds	3,896,269	-	-	-	3,896,269	-
Derivative instruments - energy risk management	539,474	-	-	-	539,474	-
Total other assets	200,127,604	-	-	-	200,127,604	-
Capital Assets:						
Land	30,519,110	1,807,965	2,338,807	11,455,600	46,121,482	358,759
Buildings, improvements, equipment and systems	909,971,502	345,347,394	539,612,211	47,870,502	1,842,801,609	134,314,125
Construction in progress	33,489,342	11,069,113	25,733,752	3,707,383	73,999,590	8,032,048
Less accumulated depreciation	(257,961,680)	(141,546,704)	(283,988,686)	(34,145,032)	(717,642,102)	(86,975,521)
Net capital assets	716,018,274	216,677,768	283,696,084	28,888,453	1,245,280,579	55,729,411
Total noncurrent assets	1,163,556,979	225,510,910	295,187,688	30,824,392	1,715,079,969	55,793,784
Total Assets	1,324,127,543	252,694,037	321,232,262	38,763,667	1,936,817,509	121,797,855
Deferred Outflows of Resources						
Deferred charges on debt refundings	896,218	62,449	111,507	38	1,070,212	16,788
Deferred charges on pensions	3,649,691	655,460	891,106	975,512	6,171,769	2,165,890
Deferred charges on OPEB	1,949,425	504,831	792,197	986,362	4,232,815	1,972,725
Deferred charges on ARO	390,684	-	-	-	390,684	-
Total deferred outflows	6,886,018	1,222,740	1,794,810	1,961,912	11,865,480	4,155,403

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2021

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
Current liabilities:						
Payable from current assets						
Accounts payable and accrued liabilities	$ 28,650,771	$ 323,728	$ 902,499	$ 702,777	$ 30,579,775	$ 5,365,124
Due to other funds	-	-	-	196,830	196,830	1,901,691
Insurance claims payable	-	-	-	-	-	5,726,709
Accrued interest payable:						
General obligation bonds	-	1,438	2,875	83	4,396	85,758
Certificates of obligation	-	-	-	86,558	86,558	22,515
Revenue bonds	2,449,170	340,109	375,463	-	3,164,742	-
Customer deposits	11,384,771	-	-	-	11,384,771	18,761,092
General obligation bonds (net of unamortized premium)	-	225,000	450,000	-	675,000	1,530,000
Certificates of obligation	-	-	-	3,005,000	3,005,000	355,000
Revenue bonds	25,565,000	7,615,000	10,340,000	-	43,520,000	-
Compensated absences	1,447,980	298,056	436,651	380,970	2,563,657	833,162
Total current liabilities	69,497,692	8,803,331	12,507,488	4,372,218	95,180,729	34,581,051
Long-term liabilities:						
Payable from restricted assets						
Accounts payable	1,257,038	1,612,244	2,274,511	26,780	5,170,573	2,000
Retainage payable	20,135	507,683	998,884	5,119	1,531,821	-
Escrow payable	295,821	900	-	-	296,721	-
Total payable from restricted assets	1,572,994	2,120,827	3,273,395	31,899	6,999,115	2,000
Advances from other funds	-	-	-	-	-	3,896,269
Revenue bonds payable (net of unamortized premium)	747,111,030	101,215,751	104,507,130	-	952,833,911	-
Certificates of obligation (net of unamortized premium)	-	-	-	8,704,534	8,704,534	3,782,057
General obligation bonds (net of unamortized premium)	-	2,530	5,061	16,100	23,691	13,256,596
Commercial paper	25,000,000	10,000,000	22,500,000	-	57,500,000	-
Unearned revenue	1,509,676	7,269	-	-	1,516,945	-
Insurance claims payable	-	-	-	-	-	6,037,333
Asset retirement obligations	513,347	-	-	-	513,347	-
Net OPEB liability	10,443,287	2,704,437	4,243,886	5,284,054	22,675,664	10,568,108
Compensated absences	892,583	76,721	151,038	110,947	1,231,289	355,336
Net pension liability	1,836,054	329,987	448,737	490,985	3,105,763	1,089,301
Total other liabilities	787,305,977	114,336,695	131,855,852	14,606,620	1,048,105,144	38,985,000
Total non-current liabilities	788,878,971	116,457,522	135,129,247	14,638,519	1,055,104,259	38,987,000
Total Liabilities	858,376,663	125,260,853	147,636,735	19,010,737	1,150,284,988	73,568,051
Deferred Inflows of Resources						
Deferred charges on debt refundings	1,259,599	213,824	227,016	-	1,700,439	16,592
Deferred charges on pensions	4,672,714	839,161	1,140,837	1,248,927	7,901,639	2,773,030
Deferred charges on OPEB	447,640	115,923	181,910	226,495	971,968	452,990
Deferred charges on derivatives	3,434,791	-	-	-	3,434,791	-
Total deferred inflows of resources	9,814,744	1,168,908	1,549,763	1,475,422	14,008,837	3,242,612
NET POSITION						
Net investment in capital assets	178,953,783	100,674,063	149,434,130	19,066,897	448,128,873	36,868,327
Restricted for:						
Debt service	-	3,507,264	4,562,463	-	8,069,727	-
Rate mitigation	217,304,237	-	-	-	217,304,237	-
Collateral	11,384,771	-	-	-	11,384,771	-
Unrestricted	55,179,363	23,305,689	19,843,981	1,172,523	99,501,556	12,274,268
Total net position	$ 462,822,154	$ 127,487,016	$ 173,840,574	$ 20,239,420	784,389,164	$ 49,142,595
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.					16,274,221	
Net position of business type activities					$ 800,663,385	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2021

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 356,541,531	$ 75,816,909	$ 48,655,766	$ 31,208,953	$ 512,223,159	$ 59,313,415
Insurance premiums	-	-	-	-	-	40,269,830
Other	8,931,246	999,611	97,865	93,384	10,122,106	4,232,688
Total Operating Revenues	365,472,777	76,816,520	48,753,631	31,302,337	522,345,265	103,815,933
OPERATING EXPENSES:						
Salaries and benefits	23,313,200	5,351,794	9,637,543	10,927,331	49,229,868	22,248,937
TMPA charges	2,616,548	-	-	-	2,616,548	-
Amortization of other assets	11,894,900	-	-	-	11,894,900	-
Energy and fuel purchases	205,247,395	-	-	-	205,247,395	-
Water purchases	-	39,799,013	-	-	39,799,013	-
Landfill fees	-	-	-	3,423,560	3,423,560	-
Maintenance, repairs, and other	14,819,308	4,449,452	8,000,256	8,069,168	35,338,184	22,288,525
Insurance and other expenses	6,458,221	460,426	710,280	787,125	8,416,052	-
General and administrative	15,229,644	5,245,352	5,032,128	2,694,729	28,201,853	7,325,226
Capitalized general and administrative	-	(193,797)	(653,732)	-	(847,529)	-
Premiums	-	-	-	-	-	10,206,646
Claims	475,937	120,394	190,552	217,957	1,004,840	29,854,716
Administrative services	-	-	-	-	-	631,040
Depreciation	21,350,117	8,952,182	13,029,105	4,370,149	47,701,553	9,680,136
Total Operating Expenses	301,405,270	64,184,816	35,946,132	30,490,019	432,026,237	102,235,226
Total Operating Income (Loss)	$ 64,067,507	$ 12,631,704	$ 12,807,499	$ 812,318	$ 90,319,028	$ 1,580,707
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	$ -	$ 784,633	$ -	$ 70,000	$ 854,633	$ -
Gain (loss) on disposal of capital assets	(3,164,003)	5,405	-	27,577	(3,131,021)	756,990
Other	(574,591)	-	-	-	(574,591)	-
Investment income	233,194	33,544	22,153	234	289,125	(7,876)
Interest expense	(15,952,084)	(2,941,037)	(2,848,753)	(157,478)	(21,899,352)	(433,991)
Income (loss) before transfers and contributions	44,610,023	10,514,249	9,980,899	752,651	65,857,822	1,895,830
Capital contributions	184,724	2,397,552	919,885	-	3,502,161	-
TRANSFERS						
Transfers in	-	-	-	389,000	389,000	789,226
Transfers out	(22,890,290)	(7,646,160)	(6,884,107)	(1,438,526)	(38,859,083)	(16,932)
Net transfers	(22,890,290)	(7,646,160)	(6,884,107)	(1,049,526)	(38,470,083)	772,294
NET INCOME (LOSS)	21,904,457	5,265,641	4,016,677	(296,875)	30,889,900	2,668,124
Net position, beginning of year	440,917,697	122,221,375	169,823,897	20,536,295	753,499,264	46,474,471
Net position, end of year	$ 462,822,154	$ 127,487,016	$ 173,840,574	$ 20,239,420	784,389,164	$ 49,142,595
	Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business type activities				922,813	
	Change in net position of business-type activities				$ 31,812,713	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2021

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	$ 355,867,477	$ 77,385,130	$ 47,908,840	$ 31,324,410	$ 512,485,857	$ 99,232,741
Cash received for customer deposit	10,994,469	-	-	-	10,994,469	1,114,301
Cash paid to suppliers	(371,754,628)	(53,390,271)	(13,159,493)	(15,129,867)	(453,434,259)	(69,661,176)
Cash paid to employees for services	(25,190,575)	(5,671,251)	(10,053,165)	(11,376,345)	(52,291,336)	(23,358,343)
Other operating revenues	8,931,246	999,611	97,865	93,384	10,122,106	4,232,688
Net cash provided by (used for) operations	(21,152,011)	19,323,219	24,794,047	4,911,582	27,876,837	11,560,211
Cash flows from noncapital financing activities:						
Due to other funds increase	-	-	-	-	-	107,515
Intergovernmental	-	-	-	70,000	70,000	-
Transfers in	-	-	-	389,000	389,000	789,226
Transfers out	(22,890,290)	(7,646,160)	(6,884,107)	(1,438,526)	(38,859,083)	(16,932)
Net cash provided by (used for) noncapital financing activities	(22,890,290)	(7,646,160)	(6,884,107)	(979,526)	(38,400,083)	879,809
Cash flows from capital and related financing activities:						
Proceeds from sales of:						
Certificates of obligation	-	-	-	2,980,000	2,980,000	250,000
Revenue bonds	251,395,000	8,040,000	4,405,000	-	263,840,000	-
Refunding bonds	157,155,000	6,835,000	15,445,000	-	179,435,000	-
Premium on issuance of debt	18,458,113	2,232,879	2,594,683	376,406	23,662,081	56,941
Commercial paper	75,000,000	10,000,000	22,500,000	-	107,500,000	-
Acquisition and construction of capital assets	(72,325,218)	(17,307,178)	(31,075,498)	(3,198,153)	(123,906,047)	(5,040,888)
Principal paid on:						
Revenue bonds	(22,195,000)	(7,515,000)	(9,660,000)	-	(39,370,000)	-
Certificates of obligation	-	-	-	(3,110,000)	(3,110,000)	(320,000)
General obligation bonds	(1,225,000)	(410,000)	(1,355,000)	-	(2,990,000)	(1,545,000)
Payment to escrow agent	(156,688,007)	(8,137,196)	(5,277,921)	-	(170,103,124)	-
Commercial paper	(117,735,000)	(7,721,037)	(7,778,963)	-	(133,235,000)	-
Interest paid on:						
Revenue bonds	(23,970,602)	(4,215,408)	(4,581,916)	-	(32,767,926)	-
Certificates of obligation	-	-	-	(468,742)	(468,742)	(164,140)
General obligation bonds	(30,625)	(21,500)	(56,375)	(650)	(109,150)	(709,026)
Commercial paper	(442,084)	(231,611)	(242,392)	-	(916,087)	-
Bond issue expense	852,407	12,196	7,922	-	872,525	-
Contributions	-	96,923	39,160	-	136,083	-
Proceeds from sales of assets	18,678	5,405	-	89,854	113,937	799,411
Net cash provided by (used for) capital and related financing activities	108,267,662	(18,336,527)	(15,036,300)	(3,331,285)	71,563,550	(6,672,702)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2021

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from investing activities:						
Purchase of investment securities	(76,870,184)	(2,264,105)	(2,956,723)	(1,167,021)	(83,258,033)	(9,490,301)
Proceeds from sale and maturities of investment securities	176,857,511	6,419,109	7,152,310	2,061,191	192,490,121	16,385,858
Interest received on investments	887,825	58,813	52,445	5,560	1,004,643	42,096
Net cash provided by investing activities	100,875,152	4,213,817	4,248,032	899,730	110,236,731	6,937,653
Net increase (decrease) in cash and cash equivalents	165,100,513	(2,445,651)	7,121,672	1,500,501	171,277,035	12,704,971
Cash and cash equivalents at beginning of the year	110,269,152	26,689,921	20,156,401	4,138,677	161,254,151	33,247,758
Cash and cash equivalents at end of the year	$ 275,369,665	$ 24,244,270	$ 27,278,073	$ 5,639,178	$ 332,531,186	$ 45,952,729
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 65,753,414	$ 15,474,580	$ 16,201,371	$ 4,096,492	$ 101,525,857	$ 45,911,441
Revenue bond cash and cash equivalents	-	3,507,264	4,562,463	-	8,069,727	-
Rate mitigation cash and cash equivalents	179,799,851	-	-	-	179,799,851	-
Collateral cash and cash equivalents	11,384,771	-	-	-	11,384,771	-
Construction fund cash and cash equivalents	18,431,629	5,262,426	6,514,239	1,542,686	31,750,980	41,288
Total cash and cash equivalents	$ 275,369,665	$ 24,244,270	$ 27,278,073	$ 5,639,178	$ 332,531,186	$ 45,952,729
Reconciliation of Operating Income to Net Cash Provided by (used for) Operating Activities						
Operating income	$ 64,067,507	$ 12,631,704	$ 12,807,499	$ 812,318	$ 90,319,028	$ 1,580,707
Adjustments:						
Depreciation expense	21,350,117	8,952,182	13,029,105	4,370,149	47,701,553	9,680,136
Amortization of other assets	11,894,900	-	-	-	11,894,900	-
Change in allowance for uncollectible accounts	(313,526)	6,839	(6,439)	9,569	(303,557)	(22,725)
Change in assets and liabilities						
Increase in pension related deferred outflows	(557,987)	(100,285)	(136,374)	(149,213)	(943,859)	(331,044)
Decrease in OPEB related deferred outflows	43,467	11,256	17,663	21,993	94,379	43,986
(Increase) decrease in accounts receivable	(519,766)	1,561,382	(740,487)	105,888	407,017	(327,780)
Decrease in notes receivable	159,238	-	-	-	159,238	-
(Increase) decrease in inventory	465,597	-	-	(686)	464,911	(71,031)
Increase in other assets	(137,774,122)	-	-	-	(137,774,122)	-
Decrease in net pension liability	(732,345)	(131,622)	(178,987)	(195,838)	(1,238,792)	(434,489)
Increase in other prepaid expense	(444)	-	-	-	(444)	-
Increase (decrease) in accounts payable	10,284,027	(3,535,279)	72,297	3,971	6,825,016	403,729
Decrease in escrow payable	-	(4,545)	-	-	(4,545)	-
Increase (decrease) in compensated absences	(117,128)	(3,094)	14,588	21,699	(83,935)	(65,081)
Increase in customer deposits	10,994,469	-	-	-	10,994,469	1,114,301
Increase in OPEB liability	216,938	56,179	88,158	109,766	471,041	219,532
Increase in insurance claims payable	-	-	-	-	-	193,512
Decrease in pension related deferred inflows	(469,915)	(84,456)	(114,849)	(125,660)	(794,880)	(278,792)
Decrease in OPEB related deferred inflows	(143,038)	(37,042)	(58,127)	(72,374)	(310,581)	(144,750)
Total adjustments	(85,219,518)	6,691,515	11,986,548	4,099,264	(62,442,191)	9,979,504
Net cash provided by (used for) operating activities	$ (21,152,011)	$ 19,323,219	$ 24,794,047	$ 4,911,582	$ 27,876,837	$ 11,560,211
Noncash investing, capital and financing activities:						
Contributions from developers	184,724	2,300,629	880,725	-	3,366,078	-
Increase in fair market value of investments	1,147,629	81,143	105,964	33,555	1,368,291	271,693
Change in restricted accounts payable	(4,836,817)	566,197	637,789	26,780	(3,606,051)	(72,260)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2021

	Other Post Employment Benefits Trust Fund
Assets	
Investments:	
Equity mutual funds	$ 6,552,947
Fixed income mutual funds	5,966,757
Money market fund	113,700
Total investments	12,633,404
Total assets	$ 12,633,404
Net Position	
Net Position restricted for other post employment benefits	12,633,404
Total net position	$ 12,633,404

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021

	Other Post Employment Benefits Trust Fund
Additions	
Earnings from investments	$ 1,761,040
Employer contributions	8,122,773
Total additions	9,883,813
Deductions	
Administrative expenses	62,049
Payments to beneficiaries	6,617,773
Total deductions	6,679,822
Change in net position	3,203,991
Net position, beginning of year	9,429,413
Net position, end of year	$ 12,633,404

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Discretely Presented Component Unit
The Garland Housing Finance Corporation (GHFC) was organized to finance the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City at affordable prices. GHFC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. GHFC is reported as a proprietary entity and maintains their accounts on an accrual basis of accounting. On October 1, 2012, GHFC hired an outside accounting firm to conduct their bookkeeping and accounting. The financial information for GHFC is included in the statements for the period of January 1, 2020 through December 31, 2020. Complete separate December 31, 2020 financial statements for GHFC may be obtained from the City.

Blended Component Units
The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. The City Council serves as the board members for GFFD and the Assistant City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental funds.

In 2018, the City of Garland created the Garland Public Facility Corporation (GPFC) as a public facility corporation under Chapter 303 of the Texas Local Development Code. The GPFC was organized exclusively for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers sales tax revenue to be available if they are collected within 30 days of the end of the current fiscal period and all other revenues available if they are collected within 60 days of the end of the annual fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, actuarially determined pension and OPEB expenses, and claims and judgments, are recorded only when payment is due. Grant revenues are recognized as revenues when all eligibility requirements are met.

Property taxes, franchise fees, licenses, mowing liens, sales taxes, EMS fees, court fines, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are available as defined above. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major proprietary funds:

The Electric Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide electric service for the residents of the City.

The Water Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide water service for the residents of the City.

The Sewer Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide wastewater treatment service for the residents of the City.

Additionally, the City reports the following fund categories:

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. These specific revenue sources are Community Development Block Grants, Housing Assistance Grants, Neighborhood Services Grants and Funding, Hotel/Motel Tax, Impact Fees, Landfill Closure Funding, Police Training, Substandard Perimeter Road Funding, Narcotic Seizure Funding, Tax Increment Finance funds, Treasury Department grant funds, and GFFD.

The City's nonmajor enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges. These funds are the Golf Fund, the Heliport Fund, the Storm Water Management Fund, the Parks Performance Fund, and the Sanitation Fund.

Internal service funds account for group health, self-insurance, long-term disability, fleet services, vehicle replacement, information technology, facilities management, warehouse, and customer services to other departments of the City on a cost reimbursement basis.

The Other Post-Employment Benefits trust fund accounts for the activities of the trust fund which accumulates resources for OPEB related benefits, and is excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's electric, water, sewer, sanitation, and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and the City Council approved investment policy authorize the City to invest in obligations of the Agencies and Instrumentalities of the U.S. Treasury, commercial paper, FDIC insured Certificates of Deposit, repurchase agreements, reverse repurchase agreements, SEC registered no-load money market mutual funds, and investment pools.

The deposits and investments of the OPEB trust fund are held separately from those of other City funds by an outside trustee appointed by the City.

Investments for the primary government, as well as for its component units, are reported at fair value. The Texpool and TexStar investment pools operate in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible accounts for utility billing is estimated based on collection experience. All other allowance for uncollectible accounts is based on accounts outstanding in excess of 360 days of the invoice date and collection experience. The property tax receivable allowance is based on the average collection rate of delinquent taxes over the last five years.

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established by the Dallas Central Appraisal District at 100% of estimated market value. Property taxes attach an enforceable lien on property as of January 1. Taxes are due immediately following the October 1 levy date and are considered delinquent after January 31 of the following year. Penalty and interest are charged at 7% on delinquent taxes beginning February 1 and increases each month to 18% on July 1. After all collection efforts have failed, the City files suit to collect the delinquent taxes.

In Texas, countywide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews by the appraisal district through various appeals and, if necessary, legal action. Under this system the City sets tax rates on property within the City. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. Inventories and prepaid items

All inventories are valued at average cost and consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain proceeds of the City's general obligation bonds, certificates of obligation, and revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet or statement of net position because their use is limited by applicable bond covenants or they are maintained in separate bank accounts due to City Charter requirements. The "rate mitigation" account is used to report resources set aside to subsidize potential deficiencies from Electric Fund operations that could adversely affect rates that are charged to customers. The "revenue bond construction" accounts are used to report those proceeds of revenue bond issuances that are restricted for use in construction of assets. The "collateral" account is used to report resources set aside for collateral held from other entities.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the City as tangible or intangible assets used in operations with an initial useful life in excess of one year. Capital asset values are established on a department by department basis where the initial asset cost is $5,000 and above.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value for buildings excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond 40 years. The reported value for infrastructure includes all upgrades and is depreciated over a useful life of 15-50 years. In the case of contributed assets, the City values these capital assets at the acquisition value of the item at the date of its contribution.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets for the electric fund is included as part of the capital value of the electric assets constructed. The total interest expense by the City during the current year was $32,664,625. Of this amount, $576,455 was included as part of the cost of capital assets under construction in connection with electric construction projects.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15 – 40
Improvements other than buildings	5 – 15
Equipment	2 – 10
Systems and Infrastructure	15 – 50

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Employees are reimbursed upon termination for accumulated vacation and only non-exempt employees are reimbursed for compensatory time. Employees are not reimbursed upon termination for accumulated sick leave except for police and firefighters who are reimbursed up to a maximum of 90 days accumulated sick leave. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements.

7. Long-term obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

8. Classifications of Fund balance

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund classifications are as follows:

Nonspendable – The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.
Restricted – The portion of fund balance that is restricted for specific purposes due to constraints imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Committed – The portion of fund balance that can only be used for specific purposes by the City's highest level of decision-making authority, the City Council, and are imposed by the City Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until an ordinance is imposed to remove or revise the limitation.
Assigned – The portion of the fund balance that is constrained by the City's intent for specific purposes, but are not restricted or committed. In fund balance policy, the City Council delegates authority to the Director of Finance or the Director of Finance's designee to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
Unassigned – The portion of the fund balance that is not restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned funds balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, if expenditures incurred for specific purposes exceed the amounts that are not restricted, committed, or assigned to this purpose, it may be necessary to report a negative fund balance in that fund.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

In order to remain financially strong and provide a framework for prudent financial management, the City maintains a minimum unassigned fund balance goal in the General fund of 30 days of budget-based operating expenditures.

Fund balances for governmental funds as of September 30, 2021 are:

Fund Balance	*General Fund*	*Debt Service*	*Capital Projects*	*Other Nonmajor Governmental Funds*	*Total Governmental Funds*
Restricted:					
General government	$ 1,951,780	$ -	$ -	$ 5,025,275	$ 6,977,055
Debt service	-	8,328,386	-	-	8,328,386
Public facilities	-	-	32,085,846	-	32,085,846
Housing assistance	-	-	-	3,607,673	3,607,673
Public safety	-	-	-	332,625	332,625
Total Restricted	1,951,780	8,328,386	32,085,846	8,965,573	51,331,585
Committed:					
General government	2,821,744	-	-	-	2,821,744
Public works and infrastructure	6,558,797	-	-	14,176,005	20,734,802
Total Committed	9,380,541	-	-	14,176,005	23,556,546
Assigned:					
General government	12,222,677	-	9,734,074	-	21,956,751
Total Assigned	12,222,677	-	9,734,074	-	21,956,751
Unassigned	27,423,751	-	-	(23,117)	27,400,634
Total fund balance	$ 50,978,749	$ 8,328,386	$ 41,819,920	$ 23,118,461	$ 124,245,516

9. Fund net position

In the fund financial statements, proprietary funds report restricted net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

10. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – The deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Pension and OPEB contributions subsequent to measurement date – The deferred charges result from contributions made after the measurement date of the plans to the current fiscal year end. These charges will be recognized in the subsequent fiscal year end.
- Difference in expected and actual economic experience – The difference is deferred and will be amortized as a component of pension and OPEB expense over the estimated average remaining lives of all members determined as of measurement date.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.
- Deferred charges on asset retirement obligation – The deferred charge will be recognized as an outflow of resources over the remaining estimated useful life of the asset.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that quality for reporting in this category:

- Fair value of energy risk derivatives – The deferred charge represents fuel swap hedging activity and is calculated as the difference between the closing futures price at the end of the reporting period, and the futures price at the time the positions were established.
- Deferred charges on refunding – The deferred charge results from the difference in carry value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Difference in expected and actual economic experience – The difference is deferred and will be amortized as a component of pension and OPEB expense over the estimated average remaining lives of all members determined as of measurement date.
- Difference in projected and actual earnings – The difference is deferred and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.
- Deferred inflows at the fund level – The deferred inflow on the governmental fund statement represents unavailable revenue at year end.

11. New accounting principles

The City implemented the following new GASB standards during the fiscal year ended September 30, 2021:

The GASB has issued Statement No. 84, *"Fiduciary Activities"* ("GASB 84"), which will be effective in fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of Statement No. 84 had no impact on the City's financial statements.

The GASB has issued Statement No. 90, *"Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61"* ("GASB 90"), which will be effective in fiscal year 2021. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The adoption of Statement No. 90 had no impact on the City's financial statements.

The GASB has issued Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB statements No. 14 and No. 84, and a supersession of GASB statement No. 32"* ("GASB 97") which will be effective in fiscal years 2021 and 2022. The portion of the statement effective in fiscal year 2021 is to enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

The GASB has issued Statement No. 98, *"The Annual Comprehensive Financial Report"* ("GASB 98"), which will be effective in fiscal year 2023. This statement establishes the term annual comprehensive financial report and its acronym ACFR. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial reports sounds like a profoundly objectionable slur. This Statement's introduction of the new term is founded on a commitment to promote inclusiveness. The adoption of Statement No. 98 had no impact on the City's financial statements.

GASB issued the following new accounting standards that are expected to be implemented by the City in future years:

The GASB has issued Statement No. 87 *"Leases"* (GASB 87), which will be effective in fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance of consistency of information about governments' leasing activities. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 91, *"Conduit Debt Obligations"* ("GASB 91"), which will be effective in fiscal year 2022. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing stands for accounting and financial reporting of additional commitments and voluntary commitments

extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 92, *"Omnibus 2020"* ("GASB 92"), which will be effective in fiscal year 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB statements. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 93, *"Replacement of Interbank Offered Rates"* ("GASB 93"), which will be effective in fiscal year 2022. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). This statement achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of the hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a secured overnight financing rate and the effective federal funds rate as appropriate benchmark interest rates for the qualitative evaluation of an interest rate swap, and (6) clarifying the definition of reference rate, as it is used in statement 53 as amended. The statement also provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* ("GASB 94"), which will be effective in fiscal year 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 96, *"Subscription-Based Information Technology Arrangements"* ("GASB 96"), which will be effective in fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB statements No. 14 and No. 84, and a supersession of GASB statement No. 32"* ("GASB 97") which will be effective in fiscal year 2022. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements. The City has not yet evaluated the impact of the implementation of this standard.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $262,935,000 difference is as follows:

General Obligation bonds – General Government portion	$157,125,000
Certificates of Obligation – General Government portion	105,810,000
Net adjustment to reduce *fund balance – total governmental funds* to arrive at net position – governmental activities	$262,935,000

The portion of Certificates of Obligation amounting to $250,000 was issued for Internal Service fund projects.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between *net changes in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this ($39,233,666) difference are as follows:

Debt issued or incurred:	
Issuance of certificate of obligation – Governmental Funds	$ (17,495,000)
Issuance of general obligation bonds – Governmental Funds	(39,340,000)
Net premium on issuance of bonds	(6,652,271)
Principal repayments:	
General obligation debt	19,340,000
Certificates of obligation	9,880,000
Refunded debt of general obligation debt	1,039,265
Amortization of bond premium	4,466,471
Change in landfill closure liability	(10,410,205)
Change in compensated absences liability	(61,926)
Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ (39,233,666)

Another element of that reconciliation states that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period." The details of this $75,429,283 difference are as follows:

Capital outlays	$ 101,843,349
Developers contributions	5,170,861
General Fund expense outlays	1,834,946
Depreciation expense	(33,401,601)
Proceeds from disposal of assets	(153,384)
Gain on disposals of assets	135,112
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ 75,429,283

III. Stewardship, compliance, and accountability

Deficit fund equity

The Landfill Closure Fund deficit of $23,117 is due to an accrual of expenditures associated with the ongoing closure cost at the Castle Landfill. This deficit will be eliminated during budget year 2022.

The Self-Insurance Fund deficit of $2,332,348 a result of an accrual of claims incurred but not reported of $6,438,074. This accrual was made on the basis of an actuarial analysis completed in 2020 and will be funded in future periods as the payments become due.

The Long-Term Disability Insurance Fund deficit of $889,558 is the result of an accrual of claims incurred but not reported of $2,863,759. This accrual was made on the basis of an actuarial analysis completed in 2020 and will be funded in future periods as the payments become due.

The Fleet Services Fund deficit of $1,058,795 will be eliminated by the support service allocation charge to other operating funds in future years.

The Facilities Management deficit of $117,919 will be eliminated by the support service allocation charge to other operating funds in future years.

The Warehouse Fund deficit of $430,483 will be eliminated by the support service allocation charge to other operating funds in future years.

IV. Detailed notes on all funds

A. Deposits and investments

Deposits. Consistent with the requirements of State law and the City's investment policy, the City requires all bank and savings bank deposits to be federally insured, fully secured through an FHLB standby letter of credit ("LOC") or collateralized with eligible securities in accordance with Texas Government Code Chapter 2257. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2021. Collateral was held by the Federal Reserve Bank in the City name under a joint safekeeping agreement with JP Morgan Chase Bank. The market value of the collateral at the close of the fiscal year was $11,634,435.

As of September 30, 2021, the carrying amount of the City's deposits was ($3,150,499) and the bank balance was $4,217,528. These balances include the City's blended component unit (Garland Foundation for Development). On September 30, 2021, the City's bank balance and the balance for GFFD was fully collateralized. Bank balances for the City's discretely presented component unit (Garland Housing Finance Corporation) were fully collateralized and the carrying value of the component unit's deposits was $2,114,181.

Investments. State statutes, the City's Investment Policy, and the City Statement of Investment Strategies govern the investments of the City. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, federal agency discount-amortizing notes, federal agency coupon securities, managed pool accounts and Certificates of Deposit.

As of September 30, 2021, the City had the following cash equivalents and investments:

Investment Type	Book Value	Fair Value Level 2	% of portfolio	WAM	Rating	Rating Agency
Federal Farm Credit Bank	$ 24,995,287	$ 25,185,765	3.60%	184	AA+/Aaa	S&P/Moody's
Federal Home Loan Bank	20,005,203	20,163,524	2.88%	133	AA+/Aaa	S&P/Moody's
Federal National Mortgage Association	4,999,841	5,034,578	0.72%	102	AA+/Aaa	S&P/Moody's
Federal Agriculture Mortgage Corp	5,000,255	5,043,099	0.72%	123	AA+/Aaa	S&P/Moody's
U.S. Treasury	39,950,954	39,953,520	5.76%	538	N/A	N/A
Certificates of Deposit	45,781,429	-	6.60%	1	AA+/Aaa	S&P/Moody's
Commercial Paper	17,492,797	17,492,797	2.52%	119	N/A	N/A
Investment Pools	535,858,161	-	77.20%	60	AAAm	S&P
Total investment fair value	$ 694,083,927	$ 112,873,283	100.00%	47		

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. The rating agency acronyms are defined as follows: S&P-Standard & Poor's rating agency and Moody's-Moody's Investor Service.

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. For the City, all of the U.S. Government Agency securities and Municipal obligations are classified in Level 2 of the fair value hierarchy and are valued based on their relationship to benchmark quoted prices. Investment Pools and Certificates of Deposit are measured at amortized cost or net asset value and are exempt from fair value reporting.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than five years and a WAM of three years or less. As of September 30, 2021, the WAM for all cash equivalents and investments was 47 days.

Credit risk. The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating organization. The City's investments in U. S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of September 30, 2021.

The City invests in Texpool and TexStar to meet its daily liquidity needs. Texpool and TexStar are local government investment pools (LGIPs) that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. These pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals. Texpool and TexStar are funds that allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. Texpool and TexStar are all rated AAAm and must maintain a dollar weighted average maturity not to exceed a 60 day limit. The City considers the holdings in these funds to have a WAM of one day, due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The City invests in Certificates of Deposit. The City has entered into custody services agreement with Stone Castle Cash Management to act as authorized agent to purchase and manage Certificates of Deposit (CDs) in depository banks. The CDs held at each bank are in the City's name and the CD cannot exceed the FDIC insurance amount. Money can be withdrawn from Stone Castle Cash Management with one day notice. The City considers the holding in these CDs to have a weighted average maturity of one day, due to the fact that these funds can be withdrawn with one day notice.

State law limits investments in commercial paper to the top two ratings issued by at least two nationally recognized credit rating agencies. It is the City's policy to limit its investments in these investment types to the top rating issued by national recognized credit rating agencies.

As of September 30, 2021, the City had the following cash equivalents and investments held by the trust agency Public Agency Retirement Services (PARS) for the OPEB trust fund:

Investment Type	Fair Value
Equity Mutual Funds	$ 6,552,947
Fixed Income Mutual Funds	5,966,757
Money Market Fund	113,700
Total investment fair value	$ 12,633,404

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Electric	Water	Sewer	Other Funds	Total
Receivables:								
Interest	$ 53,640	$ -	$ 57,035	$ 31,684	$ 9,711	$ 11,970	$ 70,178	$ 234,218
Taxes	1,519,450	1,448,491	-	-	-	-	-	2,967,941
Utility Accounts	232,968	-	-	20,640,802	8,265,995	5,579,359	3,340,821	38,059,945
Mowing Liens	743,194	-	-	-	-	-	-	743,194
EMS Accounts	1,733,514	-	-	-	-	-	-	1,733,514
Franchise Fee	1,503,809	-	-	-	-	-	-	1,503,809
Sales Tax	6,824,845	-	-	-	-	-	-	6,824,845
Wholesale & Other Accts	4,267,740	-	297,097	45,631,780	16,946	3,220	4,908,483	55,125,266
Assessments	16,032	-	-	-	-	-	-	16,032
Gross Receivables	16,895,192	1,448,491	354,132	66,304,266	8,292,652	5,594,549	8,319,482	107,208,764
Less: allowance for uncollectibles	(1,986,138)	(729,920)	-	(477,714)	(138,928)	(50,987)	(93,145)	(3,476,832)
Net total receivables	$14,909,054	$ 718,571	$ 354,132	$ 65,826,552	$ 8,153,724	$ 5,543,562	$ 8,226,337	$103,731,932

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* in the governmental funds were as follows:

	Unearned
Parks service charges for future events	$ 412,255
Faulkner receivable	85,140
Homeowner assistance	4,529,783
Other receivables related to capital projects	2,136,980
Treasury grants	33,301,224
	$ 40,465,382

Governmental funds defer revenue recognition in connection with resources that have been earned, but not yet available. These amounts are reported as deferred inflows of resources. At the end of the current fiscal year, the various components of deferred inflows of resources in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (general fund)	$ 590,889
Delinquent property taxes receivable (debt service fund)	563,295
Sales tax, mowing liens, EMS, & other receivables	6,328,499
	$ 7,482,683

C. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

Primary government

	Balance at Oct. 1, 2020	Increases	Decreases	Balance at Sept. 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 109,603,307	$ 4,697,193	$ -	$ 114,300,500
Internal service land	358,759	-	-	358,759
Construction in progress	62,902,430	69,873,667	(10,555,811)	122,220,286
Internal service construction in progress	12,327,599	1,181,101	(5,476,652)	8,032,048
Total capital assets, not being depreciated	185,192,095	75,751,961	(16,032,463)	244,911,593
Capital assets, being depreciated:				
Buildings	136,810,630	-	-	136,810,630
Improvements other than buildings	593,712,211	41,432,361	-	635,144,572
Machinery and equipment	111,927,370	3,401,747	(1,239,948)	114,089,169
Internal service buildings, improvements, and equipment	128,406,855	9,264,178	(3,356,908)	134,314,125
Total capital assets being depreciated	970,857,066	54,098,286	(4,596,856)	1,020,358,496
Less accumulated depreciation for:				
Buildings	(57,767,743)	(3,354,506)	-	(61,122,249)
Improvements other than buildings	(420,535,211)	(21,993,744)	-	(442,528,955)
Machinery, furniture, and equipment	(78,730,884)	(8,053,351)	1,221,675	(85,562,560)
Internal service buildings, improvements, and equipment	(80,609,873)	(9,680,136)	3,314,488	(86,975,521)
Total accumulated depreciation	(637,643,711)	(43,081,737)	4,536,163	(676,189,285)
Total capital assets, being depreciated, net	333,213,355	11,016,549	(60,693)	344,169,211
Governmental activities capital assets, net	$ 518,405,450	$ 86,768,510	$ (16,093,156)	$ 589,080,804

	Balance at Oct. 1, 2020	Increases	Decreases	Balance at Sept. 30, 2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 45,888,564	$ 232,918	$ -	$ 46,121,482
Construction in progress	67,856,141	116,152,398	(110,008,949)	73,999,590
Total capital assets, not being depreciated	113,744,705	116,385,316	(110,008,949)	120,121,072
Capital assets, being depreciated:				
Utility buildings, improvements, and equipment	1,739,849,747	113,321,109	(10,369,247)	1,842,801,609
Total capital assets being depreciated	1,739,849,747	113,321,109	(10,369,247)	1,842,801,609
Less accumulated depreciation for:				
Utility buildings, improvements, and equipment	(676,420,584)	(47,701,553)	6,480,035	(717,642,102)
Total accumulated depreciation	(676,420,584)	(47,701,553)	6,480,035	(717,642,102)
Total capital assets, being depreciated, net	1,063,429,163	65,619,556	(3,889,212)	1,125,159,507
Business-type activities capital assets, net	$1,177,173,868	$ 182,004,872	$(113,898,161)	$ 1,245,280,579

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 1,636,282
Public safety	4,181,304
Public works	23,563,941
Culture and recreation	3,954,320
Public health	65,754
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	9,680,136
Total depreciation expense – governmental activities	$ 43,081,737
Business-type activities:	
Electric	$ 21,350,117
Water	8,952,182
Sewer	13,029,105
Other non-major business-type activities	4,370,149
Total depreciation expense – business-type activities	$ 47,701,553

The City has identified intangible assets related to right of way easements. These assets have been classified as non-depreciating assets and reported in the same method as land assets.

Construction commitments

The City has active construction projects as of September 30, 2021. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Water System	$ 10,342,541	$ 6,097,800
Sewer System	19,416,256	14,859,970
Electric System	402,694	4,146,412
Public Safety	4,517,866	5,220,670
Parks & Recreation	8,749,189	3,603,851
Streets and Drainage	27,325,026	13,457,617
Municipal Facilities	10,023,746	3,931,474
Total	$ 80,777,318	$ 51,317,794

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2021, is as follows:

Interfund Payable	General Fund	Total
Capital Project Funds	$ 5,011,409	$ 5,011,409
Non Major Business-Type	196,830	196,830
Non-Major Governmental	147,249	147,249
Internal Service Funds	1,901,691	1,901,691
	$ 7,257,179	$ 7,257,179

Interfund balances are created by short-term deficiencies in cash position in individual funds and it is anticipated that these balances will be repaid within one year or less.

The composition of advances to/from at September 30, 2021, is as follows:

Advance Payable	Electric	Total
Internal Service	$ 3,896,269	$ 3,896,269

Advances are created by long-term deficiencies in cash position in individual funds. It is not anticipated that these balances will be repaid within one year or less.

During the year, funds were transferred from one fund to support expenditures of another fund in accordance with the authority established for the individual fund. A summary of interfund transfers by fund type is as follows:

	Transfers In						
	General Fund	Debt Service Fund	Capital Project Fund	Non-major Governmental Funds	Non-major Business Funds	Internal Service Funds	Total Transfers
General	$ -	$ -	$ 2,278,229	$ 1,702,930	$ -	$ -	$ 3,981,159
Debt Service	-	-	24,860,000	-	-	77,150	24,937,150
Capital Project	19,102,000	-	-	4,733,457	389,000	-	24,224,457
Non-major Governmental	210,000	-	622,703	-	-	-	832,703
Electric	22,100,721	230,379	50,000	-	-	509,190	22,890,290
Water	7,485,408	131,752	-	-	-	29,000	7,646,160
Sewer	6,750,239	133,868	-	-	-	-	6,884,107
Non-major Business-Type	1,092,252	172,388	-	-	-	173,886	1,438,526
Internal Service	-	16,932	-	-	-	-	16,932
	$56,740,620	$685,319	$27,810,932	$ 6,436,387	$ 389,000	$789,226	$92,851,484

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations; in-lieu-of franchise fees and ad valorem taxes transferred to the General Fund by Water, Wastewater, and Solid Waste; return on investment transferred to the General Fund from the Electric Fund; debt service transfers for payment of principal and interest as these payments are due; and other miscellaneous transfers in accordance with budgetary authorizations.

E. Long-term liabilities

A summary of long-term liabilities, including current portion, for the year ended September 30, 2021, is as follows:

	Balance at Oct. 1, 2020	Increased	Retired	Balance at Sept. 30, 2021	Due within one year
Governmental activities:					
General obligation bonds	$ 152,295,000	$ 39,340,000	$ (20,885,000)	$ 170,750,000	$ 21,290,000
Certificates of obligation	103,080,000	17,745,000	(11,220,000)	109,605,000	11,325,000
Unamortized premium and defeased debt costs	18,928,635	6,707,619	(4,791,160)	20,845,092	-
Landfill post closure cost	15,741,717	10,410,206	-	26,151,923	-
Compensated absences	25,670,523	2,973,157	(2,976,303)	25,667,377	11,596,529
Insurance claims payable	11,570,530	193,512	-	11,764,042	5,726,709
OPEB liability	63,435,959	1,345,705	-	64,781,664	-
Net pension liability	11,628,073	-	(3,315,590)	8,312,483	-
Governmental activities Long-term debt	$ 402,350,437	$ 78,715,199	$ (43,188,053)	$ 437,877,581	$ 49,938,238
Business-type activities:					
Utility System revenue bonds	$ 682,665,000	$ 293,275,000	$ (57,790,000)	$ 918,150,000	$ 43,520,000
General obligation bonds	3,680,000	-	(2,990,000)	690,000	675,000
Certificates of obligation	10,980,000	2,980,000	(3,110,000)	10,850,000	3,005,000
Unamortized premium and defeased debt costs	67,405,358	23,253,504	(11,586,726)	79,072,136	-
Commercial Paper	83,235,000	117,850,000	(143,585,000)	57,500,000	-
Compensated absences	3,878,881	581,415	(665,350)	3,794,946	2,563,657
TMPA decommissioning liability	47,004,930	-	(47,004,930)	-	-
OPEB liability	22,204,623	471,041	-	22,675,664	-
Net pension liability	4,344,555	-	(1,238,792)	3,105,763	-
Asset retirement obligations	487,047	26,300	-	513,347	-
Business-type activities Long-term debt	$ 925,885,394	$ 438,437,260	$ (267,970,798)	$ 1,096,351,856	$ 49,763,657

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end $13,625,000 of general obligation bond debt, $3,795,000 of certificates of obligation, $1,188,498 of compensated absences, $1,503,653 of unamortized premium costs, $10,568,108 of OPEB liabilities, and $1,089,301 of net pension liabilities from the Internal Service Funds are included in the governmental activities general obligation bonds, certificates of obligation, compensated absences, pension, and OPEB liabilities. Also, for the governmental activities, compensated absences, net pension liabilities, and OPEB claims payable are generally liquidated by the General Fund.

The proceeds of $17,745,000 from the sale of certificates of obligation and $39,340,000 of refunded general obligation bonds for governmental activities are reported as follows:

Fund	Certificates of Obligation	General Obligation Debt	Total Bonded Debt
Capital Project Fund – proceeds from issuance of debt	$ 17,495,000	$ 38,465,000	$ 55,960,000
Internal Service Fund statement of cash flows – proceeds from sale	250,000	-	250,000
Debt Service Fund – issuance of refunding bonds	-	875,000	875,000
Total	$ 17,745,000	$ 39,340,000	$ 57,085,000

A summary of short-term debt transactions for the year ended September 30, 2021, is as follows:

	Balance at October 1, 2020	Increased	Retired	Balance at September 30, 2021
Governmental activities:				
Commercial Paper	$ 12,500,000	$ 31,000,000	$ 12,500,000	$ 31,000,000
Governmental activities short-term debt	$ 12,500,000	$ 31,000,000	$ 12,500,000	$ 31,000,000

Commercial paper notes (CP) are short-term instruments that have maturities ranging from 1 to 270 days. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until general obligation bonds (GOs) are issued to refinance outstanding CP. Only after GOs are issued do principal payments begin. The combined amortization of the CP and the GOs is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be funded by GO commercial paper.

Long-term debt at September 30, 2021, includes the following individual issues (not including the unamortized premium costs of $99,917,230:

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
General obligation bonds:						
2014 Refunding	2.00 – 3.00	2/20/2014	2/15/2022	$ 18,450,000	$ 16,335,000	$ 2,115,000
2015A Refunding	2.00 – 5.00	2/19/2015	2/15/2035	22,695,000	4,570,000	18,125,000
2015B Refunding	2.00 – 2.55	2/19/2015	2/15/2025	22,490,000	8,395,000	14,095,000
2016 Refunding	5.00 -- 5.00	12/14/2016	2/15/2027	42,040,000	30,675,000	11,365,000
2017 Refunding	2.00 – 5.00	6/13/2017	2/15/2035	41,140,000	13,090,000	28,050,000
2018 Refunding	5.00 -- 5.00	12/20/2018	2/15/2029	47,270,000	10,535,000	36,735,000
2019 Refunding	4.00 – 4.50	12/03/2019	2/15/2030	22,390,000	775,000	21,615,000
2021 Refunding	2.00 – 4.00	6/30/2021	2/15/2041	39,340,000	-	39,340,000
				$ 255,815,000	$ 84,375,000	$ 171,440,000
Certificates of Obligation:						
2011 Various purpose	2.00 – 4.25	6/15/2011	2/15/2031	$ 4,260,000	$ 4,260,000	$ -
2012 Various purpose	2.00 – 3.375	6/01/2012	2/15/2032	6,755,000	5,070,000	1,685,000
2013 Various purpose	2.00 – 4.00	6/06/2013	2/15/2033	12,725,000	8,460,000	4,265,000
2014 Various purpose	2.00 – 4.00	6/19/2014	2/15/2034	13,475,000	9,630,000	3,845,000
2015 Various purpose	2.50 – 5.00	6/30/2015	2/15/2035	18,205,000	9,540,000	8,665,000
2016 Various purpose	2.00 – 5.00	6/01/2016	2/15/2036	20,210,000	9,915,000	10,295,000
2017 Various purpose	2.00 – 5.00	6/13/2017	2/15/2037	18,140,000	7,070,000	11,070,000
2018 Various purpose	3.375 – 5.00	6/26/2018	2/15/2038	29,955,000	7,110,000	22,845,000
2019 Various purpose	3.00 – 5.00	6/19/2019	2/15/2039	25,125,000	2,985,000	22,140,000
2020 Various purpose	2.00 – 5.00	6/16/2020	2/15/2040	16,510,000	1,590,000	14,920,000
2021 Various purpose	2.00 – 5.00	6/30/2021	2/15/2041	20,725,000	-	20,725,000
				$ 186,085,000	$ 65,630,000	$ 120,455,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
Utility system revenue bonds:						
2011 Electric Utility	2.00 – 5.00	6/15/2011	3/01/2031	$ 7,185,000	$ 7,185,000	$ -
2011 Water & Sewer	2.00 – 5.00	6/15/2011	3/01/2031	19,205,000	19,205,000	-
2012 Water & Sewer	2.00 – 4.00	6/01/2012	3/01/2032	8,415,000	3,305,000	5,110,000
2013 Electric Utility	2.00 – 2.25	6/06/2013	3/01/2025	11,790,000	6,785,000	5,005,000
2013 Water & Sewer	3.00 – 3.375	6/06/2013	3/01/2033	29,925,000	15,295,000	14,630,000
2014 Electric Utility	2.00 – 5.00	6/30/2014	3/01/2034	85,305,000	20,285,000	65,020,000
2014 Water & Sewer	3.00 – 3.375	6/19/2014	3/01/2034	38,175,000	18,015,000	20,160,000
2015 Electric Utility	2.00 – 5.00	2/19/2015	3/01/2025	15,355,000	9,365,000	5,990,000
2016A Electric Utility	2.00 – 5.00	12/14/2016	3/01/2026	12,055,000	4,725,000	7,330,000
2016B Electric Utility	4.00 – 5.00	12/14/2016	3/01/2037	36,875,000	4,775,000	32,100,000
2016 Water & Sewer	3.00 – 5.00	12/14/2016	3/01/2027	16,715,000	5,785,000	10,930,000
2017 Water & Sewer	4.00 – 5.00	6/13/2017	3/01/2028	21,430,000	5,750,000	15,680,000
2018 Electric Utility Ref	3.625 – 5.00	6/12/2018	3/01/2048	31,985,000	2,300,000	29,685,000
2018 Water & Sewer Ref	3.50 – 5.00	6/12/2018	3/01/2038	48,310,000	4,090,000	44,220,000
2018A Water & Sewer Ref	3.00 – 5.00	12/20/2018	3/01/2029	9,700,000	1,510,000	8,190,000
2019 Electric Utility Ref	4.00 – 5.00	2/26/2019	3/01/2049	147,610,000	5,165,000	142,445,000
2019 Water & Sewer	.17 – .89	8/02/2019	3/01/2034	6,670,000	865,000	5,805,000
2019A Electric Utility	4.00 – 5.00	12/03/2019	3/1/2050	140,790,000	9,080,000	131,710,000
2019A Water & Sewer	3.00 – 5.00	12/03/2019	3/1/2040	50,865,000	3,880,000	46,985,000
2020 Electric Utility	3.00 – 5.00	6/16/2020	3/1/2050	34,145,000	265,000	33,880,000
2021 Electric Utility	2.00 – 5.00	2/25/2021	3/1/2051	52,260,000	-	52,260,000
2021 Water & Sewer	2.00 – 4.00	2/25/2021	3/1/2041	34,725,000	-	34,725,000
2021 Electric Utility Taxable	1.2	3/12/2021	3/1/2026	150,000,000	150,000,000	-
2021A Electric Utility	3.00 – 5.00	9/01/2021	3/1/2051	53,185,000	-	53,185,000
2021B Electric Utility	.0459 – 3.20	9/01/2021	3/1/2051	153,105,000	-	153,105,000
				$1,215,780,000	$297,630,000	$ 918,150,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Tax anticipation notes						
2020 Tax anticipation	0.50	9/26/2020	11/15/2021	24,860,000	24,860,000	-
2021 Tax anticipation	0.37	9/30/2021	11/15/2022*	29,355,000	-	29,355,000
				$ 54,215,000	$ 24,860,000	$ 29,355,000

*The City considers this short-term. The notes were called and final payment was made on February 15, 2022.

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Commercial Paper						
2021 GO Commercial Paper Issue	0.06	9/15/2021	11/17/2021	$ 15,000,000	$ -	$ 15,000,000
2021 GO Commercial Paper Issue	0.06	9/22/2021	11/17/2021	16,000,000	-	16,000,000
2021 Electric Commercial Paper Issue	0.47 - 0.50	9/24/2021	09/20/2022	25,000,000	-	25,000,000
2015 Water/Sewer Commercial Paper Issue	0.10	7/22/2021	10/19/2021	32,500,000	-	32,500,000
				$ 88,500,000	$ -	$ 88,000,000

Commercial paper notes (CP) related to the enterprise funds are considered long-term instruments. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until revenue bonds are issued to refinance outstanding CP. Only after revenue bonds are issued do principal payments begin. The combined amortization of the electric revenue bonds is set to not exceed 30 years. The combined amortization of the water and sewer revenue bonds is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be revenue commercial paper.

The annual requirements to amortize outstanding debt as of September 30, 2021, including interest payments of $507,707,182 are summarized in the table below. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable, and are excluded from the summary:

	Governmental Activities			
Years Ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2022	$ 21,290,000	$ 6,496,246	$ 11,325,000	$ 4,502,381
2023	19,100,000	5,472,696	11,350,000	3,894,912
2024	19,035,000	4,625,103	10,820,000	3,387,800
2025	19,415,000	3,783,189	10,765,000	2,871,038
2026	10,610,000	3,119,638	8,705,000	2,403,950
2027-2031	38,335,000	9,185,537	31,340,000	7,188,244
2032-2036	25,565,000	3,709,575	17,140,000	2,326,859
2037-2041	17,400,000	941,775	8,160,000	383,691
Total	$170,750,000	$ 37,333,759	$109,605,000	$ 26,958,875

	Business-type Activities					
Years Ending September 30,	Revenue Bonds		General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 43,520,000	$ 36,960,962	$ 675,000	$ 17,525	$ 3,005,000	$ 476,300
2023	46,805,000	34,844,474	-	650	2,455,000	324,875
2024	48,695,000	32,675,012	-	650	1,735,000	223,000
2025	46,980,000	30,601,090	5,000	525	1,565,000	140,825
2026	45,755,000	28,595,929	5,000	275	1,045,000	75,575
2027-2031	207,780,000	113,106,214	5,000	225	905,000	86,175
2032-2036	144,145,000	75,688,146	-	-	80,000	15,600
2037-2041	116,770,000	50,963,394	-	-	60,000	2,700
2042-2046	111,250,000	30,297,881	-	-	-	-
2047-2051	106,450,000	8,316,546	-	-	-	-
Total	$918,150,000	$442,049,648	$ 690,000	$ 19,850	$ 10,850,000	$ 1,345,050

At September 30, 2021, the City has authorized but unissued general obligation bonds and general obligation commercial paper in the amount of $468,561,586 as follows:

	Balance at Oct. 1, 2020	General Obligation Bonds Issued	GO Commercial Paper Issued	Balance at Sept. 30, 2021
Streets Improvements	$ 180,200,680	$ 11,729,938	$ 15,783,311	$ 152,687,431
Park Improvements	131,746,838	13,958,386	6,823,905	110,964,547
Drainage Improvements	53,150,134	183,103	122,987	52,844,044
Municipal Facilities	13,019,416	2,342,519	1,224,964	9,451,933
Library Improvements	21,026,139	316,205	253,471	20,456,463
Public Safety	52,555,586	8,251,233	2,553,646	41,750,707
Animal Shelter	12,000,000	5,048,167	3,903,527	3,048,306
Economic Development	46,862,793	170,449	334,189	46,358,155
	$ 510,561,586	$ 42,000,000	$ 31,000,000	$ 437,561,586

A reconciliation was performed in FY2021 to the authorized but unissued general obligation bonds and it was determined that corrections were necessary. The beginning balances have been restated to correctly reflect the outstanding balances.

General Obligation Refunding Bonds do not impact the authorized but unissued General Obligation bonds. The City intends to retire all general long-term debt, plus interest, from ad valorem taxes and other current revenues. Revenue Bonds, applicable Certificates of Obligation and applicable General Obligation Bonds are reflected in the appropriate Proprietary Fund operation. Current requirements for principal and interest expenses are accounted for in the appropriate Proprietary Fund operation.

The City has pledged future Electric, Water and Sewer utility revenues, net of specified operating expenses, to repay $1,095,927,069 in outstanding Electric Utility System Revenue Bonds and $264,272,579 in outstanding Water & Sewer Utility System Revenue Bonds. Proceeds from the revenue bonds provide financing for the acquisition and construction of various Electric, Water and Sewer assets. The bonds are payable solely from Electric net revenues and are payable through 2051. Water and Sewer bonds are payable solely from net revenues from Water and Sewer and are payable through 2041. Principal paid and interest incurred for the current year was as follows:

Utility Revenue Bonds	Principal	Interest	Total	Pledged Revenue
Electric	$ 22,195,000	$ 23,970,602	$ 46,165,602	$ 85,650,818
Water & Sewer	17,175,000	8,797,324	25,972,324	47,476,187

Certificates of Obligation and General Obligation Bonds applicable to Proprietary Fund operations are reflected in the appropriate Enterprise and Internal Service Funds and current requirements for principal and interest expenses are accounted for in the applicable fund. These requirements will be met by current revenues.

Debt issues for the year are as follows:

Issue	Principal	Purpose
Certificates of Obligation, Series 2021	$ 20,725,000	Constructing, equipping, and improving municipal park and recreation facilities, the Firewheel Golf Park, municipal animal shelter and adoption facilities, municipal landfill/transfer stations facilities, and information management services systems; constructing and improving streets, including drainage, landscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization and street noise abatement and utility system relocation incidental thereto, and the acquisition of land and rights-of-way therefor; acquiring public safety, environmental waste services equipment, acquiring, constructing, and equipping existing municipal buildings, including HVAC replacement upgrade, roof replacement and safety upgrades; constructing drainage improvements, including bridge remediation; and professional services rendered in connection therewith.
General Obligation Refunding Bonds, Series 2021	39,340,000	CO and commercial paper bond refunding
Electric System Subordinate Lien Revenue Notes, Taxable Series 2021	150,000,000	Subordinate Lien Revenue note
Electric System Revenue Refunding Bonds, New Series 2021	52,260,000	Revenue bond and commercial paper refunding
Electric System Revenue Refunding Bonds, New Series 2021A	53,185,000	Commercial paper refunding
Electric System Revenue Refunding Bonds, Taxable New Series 2021B	153,105,000	Subordinate Lien Revenue note refunding
Water & Sewer System Revenue Refunding Bonds, New Series 2021	34,725,000	Revenue bond and commercial paper refunding
Tax Anticipation Note, Series 2021	29,355,000	Short term capital projects

On February 25, 2021, the City issued $34,725,000 in Water & Sewer Revenue Refunding Bonds, New Series 2021 to refund $14,480,000 of outstanding Water & Sewer System Revenue Bonds, Series 2011, and takeout $25,850,000 of outstanding commercial paper. An amount of $40,701,018 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $3,182,393, and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $3,130,981.

On February 25, 2021, the City issued $52,260,000 in Electric Utility System Revenue Refunding Bonds, New Series 2021 to refund $5,405,000 of outstanding 2011 Electric Utility System Revenue Bonds, Series 2011; and takeout $54,760,000 of outstanding commercial paper. An amount of $60,303,107 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $1,176,475 and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $1,128,648.

On June 30, 2021, the City issued $39,340,000 in General Obligation Refunding Bonds, Series 2021 to refund $1,020,000 of outstanding Certificates of Obligations Bonds, Series 2011; and takeout $42,000,000 of outstanding commercial paper. An amount of $43,039,265 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $149,353, and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $147,967.

On September 1, 2021, the City issued $53,185,000 in Electric Utility System Revenue Refunding Bonds, New Series 2021A to takeout $62,975,000 of outstanding commercial paper.

On September 1, 2021, the City issued $153,105,000 in Electric Utility System Revenue Refunding Bonds, New Series 2021B to refund $150,000,000 of outstanding 2021 Electric System Subordinate Lien Revenue Note, Taxable Series 2021. An amount of $151,655,600 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City increased its total debt service payments over the next thirty years by $78,721,428, and obtained an economic loss (difference between the present values of the debt service payments of the old and new debt) of $8,559,363.

TMPA Decommissioning liability

On June 28, 2019, ERCOT was notified of the plan to move TMPA's Gibbons Creek power plant to a status of decommissioned and retired. The official date was October 23, 2019. These actions triggered TMPA to record a decommissioning liability and a corresponding discounted receivable from the TMPA Member Cities, as they are obligated to pay all associated costs. The City recorded a liability to TMPA for its percentage share of the decommissioning liabilities as of September 30, 2019.

On February 10, 2021, TMPA sold the Gibbons Creek power plant. At that time, all the decommissioning remediation liabilities was transferred to the new owner. The decommissioning assets in the amount of $40,587,181 and liabilities in the amount of $47,004,930 were written off. The difference in the asset and liability of $6,417,748 was recorded as other non-operating income. This difference is prior amortization.

	Balance at Oct. 1, 2020	Increased	Reductions	Balance at Sept. 30, 2021
TMPA decommissioning liability	$ 47,004,930	$ -	$ 47,004,930	$ -

F. Retirement Plans

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credit with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credit for service since the plan began are 200% of the employee's accumulated contributions. In addition, the City granted another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his/her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

A summary of the plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required to vesting	5
Service retirement eligibility	age 60 with five or more years of service or with 20 years of service regardless of age

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,578
Inactive employees entitled to but not yet receiving benefits	717
Active employees	2,050
	4,345

Contributions

The contribution rate for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.24% and 11.44% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for fiscal year 2021, were $18,897,527, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over a four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 thru 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Arithmetic)	
Global Equity	30.0	%	5.30	%
Core Fixed Income	10.0		1.25	
Non-Core Fixed Income	20.0		4.14	
Real Return	10.0		3.85	
Real Estate	10.0		4.00	
Absolute Return	10.0		3.48	
Private Equity	10.0		7.75	
Total	100.0	%		

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at December 31, 2019	$ 1,038,305,257	$ 1,022,332,629	$ 15,972,628
Changes for the year:			
Service Cost	26,203,127		26,203,127
Interest (on the total pension liability)	69,127,800		69,127,800
Difference between expected and actual experience	7,470,398		7,470,398
Benefit payments, including refunds of employee contributions	(54,582,524)	(54,582,524)	-
Contributions-employer		18,554,489	(18,554,489)
Contributions – employee		11,777,742	(11,777,742)
Net investment income		77,545,208	(77,545,208)
Administrative expense		(502,139)	502,139
Other		(19,593)	19,593
Net changes	48,218,801	52,773,183	(4,554,382)
Balance at December 31, 2020	$1,086,524,058	$ 1,075,105,812	$ 11,418,246

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1 % Increase 7.75%
$ 143,085,968	$ 11,418,246	$ (99,209,703)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense of $24,044,583.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 8,187,275	$ -
Difference in assumption changes	960,518	-
Difference between projected and actual investment earnings on pension plan investments	-	(29,058,768)
Employer contributions subsequent to the measurement date	13,548,990	-
	$ 22,696,783	$ (29,058,768)

Deferred outflows of resources of $13,548,990 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2022	$ (8,199,915)
2023	3,720,647
2024	(14,995,052)
2025	(436,655)
Total	$ (19,910,975)

G. Other postemployment benefits

City of Garland other postemployment benefit plan

Plan Description

The City makes available health care benefits to all employees who work for the City of Garland a minimum of five years, meet the Texas Municipal Retirement System (TMRS) criteria listed on page 72, and elect coverage at the time of retirement and maintain continuous, uninterrupted coverage. Benefit provisions are established by management and funding is approved by City Council annually, during the budget process.

In 2008, the City established an irrevocable trust fund in an effort to begin funding the actuarial determined OPEB unfunded liability and to ensure that funding is available in the future for retiree medical benefits. In 2021, the City Council approved a transfer of $1,505,000 to the trust, and a long-term funding strategy was implemented to increase the annual contribution to this trust with a goal of fully funding the annual OPEB obligation after ten years.

The OPEB trust investments are held in the Public Agencies Retirement Services (PARS) Post-retirement Health Care Plan Trust by its trustee, US Bank. US Bank has delegated investment management responsibilities to HighMark Capital Management, Inc. (Investment Manager), a SEC-registered investment advisor. The Trust investment guideline mandates a diversified portfolio designed to generate long-term returns that, when combined with contributions, will result in sufficient assets to pay future obligation associated with the retiree health plan.

The Plan is a single-employer defined benefit plan and does not issue a publicly available financial report.

Benefits Provided

The City of Garland provides insurance to eligible pre-65 retirees, their spouses and dependents through the City's self-insured group health plan. Post-65 retirees are offered a fully insured Medicare Supplement Plan through Hartford, who assumes all claims risk liability on this group of retirees. The City makes contributions towards retiree health care benefits. However, the City reduces its liability and risk by capping the annual increase to the City contribution to a maximum of 3% per year. For FY2021, the monthly City contribution per participant for the retiree group as a whole was $487.

As of December 31, 2020 biennial actuarial valuation, the Plan's membership consisted of the following:

Number of plan members	Medical
Retirees and dependents currently receiving benefits	296
Inactive members entitled to benefits, but not yet receiving them	482
Active members	1,902
Total	2,680

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions. The City makes an annual contribution to the Trust fund; the funding is established and approved by City Council as part of the City budget process. For the year ended September 30, 2021, the City's average contribution rate was 4.89 percent of the covered payroll. Monthly retiree premiums are utilized to fund current medical claims and are based on the benefit election of the Plan member.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2021, net OPEB liability.

Actuarial assumptions

Actuarial Valuation Date	12/31/2019
Actuarial Cost Method	Entry Age Normal
Asset valuation method	Market value
Inflation	2.50%
Projected salary increase	3.00%
Discount rate	4.02%
Healthcare cost trend rates	All years capped at 3.0%
Mortality	Combined RP-2014 Dynamic table projected using MP-2019 representative rates per thousand for the RP-2014 mortality table

Rate of Return

The long-term expected rate of return on OPEB plan investments will be managed on a total return basis which takes into consideration both investment income and capital appreciation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Geometric)	
Large Cap	27.45	%	6.80	%
Mid Cap	4.15		7.10	
Small Cap	8.35		7.90	
International	6.84		7.30	
Emerging Markets	3.34		7.30	
Real Estate	1.74		6.60	
Short Term Bond	8.61		3.30	
Intermediate Term Bond	36.44		3.90	
High Yield	2.18		6.10	
Cash	.90		2.40	
Total	100.00	%		

The long-term expected rate of return is 5.89%. The expected return is determined through a combination of historical rates of return, valuation projections, and economic expectations.

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.02%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the OPEB plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all period of projected benefit payments to determine the total OPEB liability.

The discount rate for the 12/31/2019 measurement was 4.02% which caused an actuarial loss. The discount rate for the 12/31/2018 measurement was 4.63%. The discount rate incorporates a municipal bond rate of 2.75%, sourced from the Fidelity Municipal GO AA 20 year index.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at December 31, 2019	$86,423,821	$ 9,158,038	$ 77,265,783
Changes for the year:			
Service Cost	3,024,066	-	3,024,066
Interest (on the total OPEB liability)	3,525,395	-	3,525,395
Difference between expected and actual experience	2,095,099	-	2,095,099
Change in assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(5,598,096)	(5,598,096)	-
Contributions-employer	-	7,103,096	(7,103,096)
Net investment income	-	1,357,858	(1,357,858)
Administrative expense	-	(50,492)	50,492
Net changes	3,046,464	2,812,366	234,098
Balance at December 31, 2020	$89,470,285	$ 11,970,404	$ 77,499,881

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.02%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current rate:

1% Decrease 3.02%	Current Single Rate Assumption 4.02%	1 % Increase 5.02%
$ 91,810,008	$ 77,499,881	$ 65,964,613

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.02% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

1% Decrease 2.0%	Current Single Rate Assumption 3.0%	1 % Increase 4.0%
$ 65,067,826	$ 77,499,881	$ 93,059,345

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $8,343,165.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 7,299,220	$ (127,481)
Difference in assumption changes	1,507,815	(1,850,557)
Difference between projected and actual investment earnings on pension plan investments	-	(729,612)
Employer contributions subsequent to the measurement date	5,015,551	-
	$ 13,822,586	$ (2,707,650)

Deferred outflows of resources of $5,015,551 related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2022	$ 1,756,752
2023	1,861,157
2024	2,195,408
2025	286,068
Total	$ 6,099,385

Supplemental Death Benefits Plan (SDBF)

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members and retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (pay as you go plan). The retiree portion of the SDBF is considered to be a single-employer, defined benefit OPEB plan.

Detail information about the SDBF OPEB plan is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers. The SDBF contribution rate for retirees is .13%.

As of December 31, 2020, membership in the plan consisted of the following:

Inactive employees currently receiving benefits	1,207
Inactive members entitled to benefits, but not yet receiving them	200
Active members	2,050
Total	3,457

The City's OPEB liability is measured as of December 31, 2020, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions

Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	The Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP.
Mortality rates-disabled retirees	The mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis of Scale UMP to account for future mortality improvements subject to the floor.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA index").

Changes in Total OPEB Liability

Beginning at December 31, 2019	$ 8,374,799
Service Cost	336,153
Interest on the total OPEB liability	234,005
Differences between expected and actual experience	(169,737)
Change in assumptions	1,249,459
Benefit payments	(67,232)
Net change in total OPEB liability	1,582,648
Ending at December 31, 2020	$ 9,957,447

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

1% Decrease	Current Discount Rate Assumption	1 % Increase
1.00%	2.00%	3.00%
$12,029,885	$ 9,957,447	$ 8,338,608

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $887,363.

At September 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 257,783	$ (794,909)
Difference in assumption changes	2,087,689	(246,205)
Employer contributions subsequent to the measurement date	157,407	-
	$ 2,502,879	$ (1,041,114)

Deferred outflows of resources of $157,407 related to OPEB resulting from retiree contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2022	$ 317,205
2023	317,205
2024	250,124
2025	227,324
2026	187,126
Thereafter	5,374
Total	$1,304,358

H. Self-Insurance

Self-insurance for general and auto liability exposure and workers' compensation is maintained in the Self-Insurance Fund of the Internal Service Fund. A private insurance company administers workers' compensation claims and losses for the City. Self-insurance premiums of $7,011,760 were collected from funds that participate in these. Claims settlement and loss expenses are accrued in the Self-Insurance Fund for the estimated settlement value of claims reported and incurred but not reported arising from incidents during the period. A liability, insurance claims payable, has been established. The reported liability includes actuarially determined present value projected losses for general, auto, and workers' compensation exposure. In determining projected losses, coverages with material incurred losses were compared to expected industry loss levels for prior periods. Based on this comparison, an experience modifier was selected and applied to current indicated industry premiums per exposure unit to obtain expected losses as of September 30, 2021, at the selected per occurrence limits. Based on a current independent actuarial analysis completed in December 2020 claims payable as of September 30, 2021 was estimated at $6,438,074.

Long-Term Disability (LTD) claims are paid from the LTD Insurance Fund, which is funded with City and employee contributions. A private company administers the long-term disability claims and losses for the City. Based on a current independent actuarial analysis, an actuarially determined liability of $2,863,759 has been established for projected future claims.

Group medical benefits are paid from the Group Health Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. At September 30, 2021, a short-term liability of $2,462,209 was recognized for open claims and claims incurred but not reported. The claims incurred but not reported are calculated based on a monthly average for claims paid during the current fiscal year.

There were no significant reductions in insurance coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

Changes in the self-insurance, long-term disability and group health insurance claims payable in fiscal years 2020 and 2021 were:

Internal Service Fund	Beginning of Fiscal Year Liability	Current Year Claims	Changes in Estimates	Claim Payments	Balance at Fiscal Year – End	Current Portion
Self-Insurance – 2020	$ 6,500,950	$ 430,121	$ (62,876)	$ 430,121	$ 6,438,074	$ 2,774,500
Self-Insurance – 2021	6,438,074	293,661	-	293,661	6,438,074	2,774,500
Long-Term Disability – 2020	3,112,604	157,563	(248,845)	157,563	2,863,759	490,000
Long-Term Disability – 2021	2,863,759	399,639	-	399,639	2,863,759	490,000
Group Health – 2020	2,533,857	26,237,112	(265,160)	26,237,112	2,268,697	2,268,697
Group Health – 2021	2,268,697	28,849,135	193,512	28,849,135	2,462,209	2,462,209

I. Texas Municipal Power Agency

The Texas Municipal Power Agency (TMPA) was created in 1975 pursuant to legislation that was passed by the 64th Legislative Session. TMPA, a municipal corporation, is governed by a Board of Directors, where each member city appoints two representatives to the Board. In 1976, the City along with the cities of Bryan, Denton, and Greenville (collectively "the Cities") entered into identical Power Sales Contracts with TMPA. Under the Power Sales Contracts each member city is required to purchase all future power and energy requirements in excess of the amounts generated by their systems from TMPA at rates set to cover TMPA's operating cost and retirement of debt. In the event that revenues are insufficient to cover all costs to retire the outstanding debt, each of the member cities has guaranteed a portion of the unpaid debt based on a percentage. The City's percentage requirement was 47%. On September 1, 2018, TMPA made the final debt service payment on its generation debt, which extinguished the City's obligation with respect to such debt. With the extinguishment of TMPA's generation debt and the election of the Cities to not extend the Power Sales Contract beyond September 30, 2018, the Power Sales Contract expired. Each of the Cities has the right to enter into a new power sales contract with TMPA; however, none of the Cities have exercised this right.

TMPA and the Cities entered into a Joint Operating Agreement (JOA) effective September 1, 2016. The JOA represents the post-Power Sales Contract plans for TMPA and the Cities. The JOA divides TMPA assets and operations into three business categories – generation, transmission, and mining.

During FY2021, the City paid TMPA $2,616,548 for charges related to ongoing operations.

Total debt of TMPA at September 30, 2021, amounted to $197,135,000 of which $6,395,000 represented the current portion. TMPA's outstanding long-term debt and short-term debt obligations are all associated with TMPA's transmission system and are payable from and secured by TMPA's transmission net revenues.

TMPA
Outstanding Debt Amounts
September 30, 2021
(reported in thousands)

	Long-Term	Current	Total
Revenue Bonds	$ 181,340	$ 6,395	$ 187,735
Tax Exempt Commercial Paper	9,400	-	9,400
	$ 190,740	$ 6,395	$ 197,135

Prepaid Energy Costs, Impairment of Prepaid Energy Costs, and Regulatory Assets

On March 1, 2010, the City issued Combination Tax & Electric Utility System Revenue Refunding Bonds, Series 2010 with a maturity of 20 years for the purpose of prepaying certain contractual obligations to TMPA. The principal amount of the bonds was $126,885,000 with a reoffering premium and other bond issuance costs of $11,367,850 for a total of $138,252,850. Since the proceeds of this debt issuance were placed with TMPA and the City received an economic benefit over a period of years, an Other Asset was recorded in the Electric Fund Statement of Net Position in the amount of $138,252,850. The City is amortizing the Other Asset over a period of 20 years with a half year convention. The generation portion of the Other Asset was impaired in 2017 and 2018 leaving only the transmission portion of the Other Asset. On September 30, 2021, TMPA Transmission Asset had a balance of $3,941,607.

On September 30, 2017, the City impaired 37.9% of the generation portion of the Other Assets when the TMPA Board of Directors approved a plan of "seasonal operations". The total impairment was $50,045,780. On September 30, 2018, the City impaired the remaining generation portion of the Other Asset when ERCOT was notified of the plan to suspend operations indefinitely. The impaired portion was recorded as a GASB 62 Regulatory Asset in Other Assets to be amortized through FY2030. On September 30, 2021, the Generation Regulatory Asset had a balance of $54,815,856.

On June 28, 2019, ERCOT was notified of the plan to move TMPA's generation plant, Gibbons Creek, to a status of decommissioned and retired. The official effective date was October 23, 2019. These actions triggered TMPA to record a decommissioning liability and corresponding discounted receivable from the member cities. As of September 30, 2019, the recorded discounted receivable was $106,402,427 of which each member city is responsible for its share. The City's allocated share of TMPA's decommissioning liability is 47.3%. On September 30, 2019, the City recorded a Regulatory Asset in the amount of $50,328,348. Of this amount, $39,096,963 is associated with the decommissioning obligation and $11,231,385 is associated with the ongoing maintenance. Decommissioning is estimated to take 5 years and the related maintenance is estimated to be completed after 30 years. A liability was recognized at September 30, 2019. On February 10, 2021, TMPA sold the Gibbons Creek power plant. At that time, the decommissioning remediation liabilities were transferred to the new owner. Therefore, the decommissioning assets in the amount of $40,587,181 and liabilities in the amount of $47,004,930 were written off. The previous amortization of $6,417,748 was recorded as other non-operating income. See page 70 for further information regarding the liability due to TMPA.

In February 2021, the state of Texas experienced an unprecedented winter weather event, Winter Storm Uri, resulting in severe cold weather, snow, and ice. The storm caused power outages across the state. As a result, energy and natural gas prices increased dramatically from February 11 to February 24, 2021. The City recorded a Regulatory Asset of $137,343,717. The asset was calculated by looking at historical prices for the same period and recording the additional costs incurred as a regulatory asset. The asset will be amortized over thirty years. On September 30, 2021, the Winter Storm Uri regulatory asset had a balance of $135,054,655.

To qualify to utilize GASB 62, the following must apply:

- The regulated business-type activity's rate for regulated services provided to its customers are established by or are subject to approval of an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
- The regulated rates are designed to recover the specific regulated business-type activity's costs of providing the regulated services.
- In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the regulated business-type activity's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

The City of Garland qualifies to utilize GASB 62 due to:

- State and local statues empower the City of Garland City Council to establish retail rates.
- The City of Garland specific costs are recovered through City of Garland retail rates.
- Current and projected customer demand support the recovery of City of Garland cost of service.

	February 2021 Winter Storm URI	TMPA Transmission	GASB 62 TMPA PPD Demand Regulatory Asset	GASB 62 Decommissioning Regulatory Asset	Total Other Asset
Balance Sept. 30, 2020	$ -	$ 4,405,325	$ 61,264,780	$ 43,229,650	$ 108,899,755
Regulatory Asset Addition	137,343,717	-	-	-	137,343,717
Other asset amortization	(2,289,062)	(463,718)	(6,448,924)	(2,642,469)	(11,844,173)
	$ 135,054,655	3,941,607	54,815,856	40,587,181	234,399,299
GASB 62 regulatory asset FY21 Decommissioning Write-off	-	-	-	(40,587,181)	(40,587,181)
Balance Sept 30, 2021	$ 135,054,655	$ 3,941,607	$ 54,815,856	$ -	$ 193,812,118

Financial statements for TMPA are available from the TMPA website texasmpa.org or through the City of Garland Financial Services Department.

J. Deferred Compensation Plan

The City offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to all permanent City employees, permits participants to contribute annually the amount per IRS limitations on a tax-deferred basis up to the annual contribution limit allowed by the IRS. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. Therefore, the Deferred Compensation Investments are no longer reported in the City's financial statements.

K. Conduit Debt Information

The discrete component unit was created to issue revenue bonds to provide financial assistance to qualified homeowners. Even though the bonds are outstanding, there is no liability to the City or the component unit (no commitment debt), as all liability transfers to the trustee of the bond issue. A summary of outstanding conduit bonds at December 31, 2020, is as follows:

Series	Garland Housing Finance Corporation	Total
2005	$ 11,576,699	$ 11,576,699
	$ 11,576,699	$ 11,576,699

L. Governmental Activity Component Units

The Garland Public Facility Corporation (GPFC) was organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. GPFC is reported as a blended component unit in the non-major governmental fund. As of September 30, 2021, the condensed combining information for GPFC is $3,521,016 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. GFFD is reported as a blended component unit in the non-major governmental fund. As of September 30, 2021, the condensed combining information for GFFD is $13,574,082 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

M. Landfill Closure and Post-closure Care Cost

As of September 30, 2021, the total estimated landfill closure/ post-closure cost for the City's Castle Drive landfill, Hinton landfill, and transfer station is $2,090,623, $64,256,027 and $37,654 respectively. The $26,151,923 reported as landfill closure and post-closure care liability represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Castle landfill, 39.07% use of the Hinton landfill, 100% of the closure cost for the transfer station, less post closure expenditures to date of $1,079,155. The City will recognize the remaining estimated closure and post-closure care costs of $39,153,227 as the percentage of capacity depletion increases. These amounts are based on an engineering study performed in 1996 and updated in 2021, which estimated cost to perform all closure and post-closure care. In addition, the closure and post-closure care cost were adjusted for inflation annually based on the most recent Implicit Price Deflator for Gross National Product published by the United States Department of Commerce. Actual cost may differ from the estimate due to inflation, changes in technology, or regulatory changes. The Hinton landfill has an estimated remaining useful life of 32.5 years.

Since the City's Landfill operation is a general government function, a special revenue fund was established to account for actual landfill closure and post-closure care funding sources and expenditures as they are incurred. Based on the City's current landfill closure financial strategy, $2.4 million in Certificates of Obligation will be issued to finance the one time closure cost and the on-going post closure care will be paid from operating funds.

N. Economic Incentives and Tax Abatements

The City enters into economic development and tax abatement agreements in order to spur commercial activity, generate additional sales tax revenue, enhance the property tax base, and provide increased economic vitality to the City. All abatement projects meet a minimum threshold point total based on full-time jobs, annual payroll, value of new or remodeled facilities, value of machinery and equipment, value of inventory, annual sales tax generated, or Garland Power & Light electric usage. All abatements must be approved on a case-by-case basis negotiated by City staff and approved by the City Council. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases and bringing targeted businesses to the City. Recipients are largely required to meet and maintain minimum thresholds of real and personal property values, full time employees, number of tenants or other provisions specific to an individual recipient. Agreements are generally made for a minimum of five years and generally contain recapture provisions which may require repayment or termination if a recipient fails to meet the required provisions.

The City has two categories of economic development agreements:

Tax Abatements – Under Chapter 312 of the Texas Tax Code the City is allowed to designate tax reinvestment zones and negotiate tax abatement agreements with applicants within these zones. The abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. A summary of Chapter 312 Tax Abatements for the year ended September 30, 2021, is as follows:

Abatement Type	Active Agreements	Total Taxes Abated FY21
Business Personal Property Tax	3	$ 176,865

Tax Rebates – Under Chapter 380 of the Texas Local Government Code, the City is allowed to enter into agreements in order to stimulate economic activity. These agreements may rebate a flat amount or percentage of real property, personal property or sales taxes received by the City. A summary of Chapter 380 tax rebates for the year ended September 30, 2021 is as follows:

Abatement Type	Active Agreements	Total Taxes abated FY21
Ad Valorem Tax	4	$ 225,764
Business Personal Property Tax	8	127,873
Sales Tax	4	585,453

O. Commitments and Contingent Liabilities

The City has been named as a defendant or co-defendant in a number of personal injury cases. While the outcome of these cases is not known at this time, the City attorney and City management are of the opinion that any awards to injured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

A number of other claims against the City, as well as certain other matters of litigation, are pending with respect to various matters arising in the normal course of the City's operations. The City attorney and City management are of the opinion that the settlement of these other claims and pending litigation will not have a material adverse impact on the City's financial position.

The City participates in a number of State and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

On December 19, 2013, the City entered into a twenty (20) year energy purchase power agreement with Spinning Spur Wind Three, LLC. The agreement extends from the start hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twentieth (20) anniversary. The City purchases 26% of the output from the 194MW facility. Commercial Operations began September 28, 2015.

On August 28, 2014, the City entered into a twenty-five (25) year energy purchase power agreement with Los Vientos Windpower V, LLC. The agreement extends from the start of hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twenty-fifth (25) anniversary. The City purchases 45.96% of the output from the 110MW facility. Commercial Operations began December 23, 2015.

On June 12, 2015, the City entered into a fourteen (14) year energy purchase power agreement with Salt Fork Wind, LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fourteenth (14^{th}) anniversary. The City purchases up to 150MW from the facility. The City has contracts to sell 77% of this energy downstream. Commercial Operations began December 1, 2016.

On October 27, 2015, the City entered into a twenty (20) year energy purchase power agreement with Albercas Wind Energy II, LLC. From the effective date, the agreement extends until 23:59:59 (CPT) on the day prior to the 20^{th} anniversary of the Commercial Operation Date. The City purchases up to 96MW from the facility. The City has contracts to sell 74% of this energy downstream. Commercial Operations began November 13, 2016.

On December 28, 2015, the City entered into a fifteen (15) year energy purchase power agreement with BNB Lemesa Solar LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fifteenth (15^{th}) anniversary. The Commercial Operation Date is anticipated to be no later than March 31, 2017. The City will purchase 102 MW from the facility. The City has contracts to sell 49% of this energy downstream. Commercial Operations began April 27, 2017.

On November 20, 2018, the City entered into renewable purchase power agreement with Engie Long Draw Solar LLC. The agreement extends fifteen (15) years following the Commercial Operation Date. The City will purchase up to 25 MW from the facility. Commercial Operations began December 11, 2020.

On December 11, 2018, the City entered into a renewable purchase power agreement with Concho Bluff LLC. The agreement extends fifteen (15) years following the Commercial Operation Date. The Commercial Operation Date of the facility occurred on February 12, 2021. The City is purchasing 50 MW from the facility.

On April 12, 2019, the City entered into renewable purchase power agreement with Samson Solar Energy, LLC. On May 29, 2020, the renewable energy purchase agreement was assigned to Delilah Solar Energy, LLC. The agreement extends fifteen (15) years following the first day of the month immediately following Commercial Operation. The Commercial Operation Date was anticipated to be no later than June 1, 2022; however, the development of the facility has been delayed. The impact to the Commercial Operation Date is still being determined. Seller and the City are collectively working to modify the renewable energy purchase agreement to accommodate this delay. The City will purchase up to 25 MW from the facility.

The City executed confirmations through December 31, 2032, under its International Swaps and Derivatives Association Inc. (ISDA) Master Agreement to purchase electricity under specific terms and conditions. Management believes the purchase of electricity under the specific terms and conditions of the confirmation were for normal purchases/normal sales and non-speculative in nature.

P. Derivative Instruments

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion price volatility, the City has established a Risk Management Program. This program was authorized by the City Council and is led by the Risk Oversight Committee. Under this program, the City enters into forward contracts for natural gas and energy for the purpose of reducing exposure to natural gas and energy price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. The City typically settles these contracts by delivery of certain commodities.

The City applies GASB Statement No 53 – *Accounting and Financial Reporting for Derivative Instruments*, ("GASB 53"), which addresses the recognition, measurement, and disclosures related to derivative instruments. The City utilizes natural gas commodity swaps to hedge its exposure to fluctuating fuel prices. Since these derivatives are entered into for risk mitigation purposes, the instruments are considered potential hedging derivative instruments under GASB 53. The City evaluated all potential hedging derivative instruments for effectiveness utilizing the consistent critical terms method as of September 30, 2021, and as of September 30, 2020, and determined the derivatives to be effective in substantially offsetting the change in cash flows of the hedgeable items. These derivatives act as cash flow hedges.

At September 30, 2021, the total fair value of outstanding hedge instruments was a net asset of $3,434,791. Fuel hedging instruments with a fair value of $539,474 are classified on the Statement of Net Position as a non-current asset. Fuel hedges with a fair value of $2,895,317 are classified on the Statement of Net Position as a current asset. As of September 30, 2020, the total fair value of outstanding hedge instruments was a net liability of $18,838. Fuel hedging instruments with a fair value of $13,840 are classified on the Statement of Net Position as a non-current asset. Fuel hedges with a fair value of $32,679 are classified as a current liability. Changes in fair value as of September 30, 2021, of $3,420,951 are reflected in deferred inflows. The following information details the City Electric Fund's hedging derivative instruments below:

Derivative transactions as of September 2021:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.550 - $2.857	2,306,038	Mar 2017-Feb 2021	Oct 2021-Dec 2022	NYMEX	$ 3,434,791
		2,306,038				$ 3,434,791

Derivative transactions as of September 2020:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.558 - $2.857	1,500,666	Mar 2017-Dec 2019	Oct 2020-Dec 2021	NYMEX	$ (18,838)
		1,500,666				$ (18,838)

At September 30, 2021, the City had Fourteen customers to provide wholesale power supply and/or qualified scheduling entity services. The contract terms extend up to November 13, 2036. For the power supply customers, the City charges an energy charge which is based on the quantity of power supplied multiplied by a fixed price, or multiplied by a fixed heat rate and a fuel index price. In order to hedge the City's risk, the City has entered into corresponding power supply agreements with counterparties to hedge against energy price or heat rate fluctuation in the market.

Congestion Revenue Rights

Pre-assigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. Municipally owned utilities are granted the right to purchase PCRRs annually at 10-20% of the cost of CRRs. At September 30, 2021, the City held CRRs with a cost and fair market value of $1,627,822, that the City expects to use in normal operations, which is recorded as prepaid expense in the Electric fund.

Risks

Credit Risk. The City's over-the-counter agreements for natural gas and energy expose the City to credit risk. In the event of default, the City's operations will not be materially affected. However, the City does not expect the counterparties to fail to meet their obligations. The City maintains contracts with contractual provisions under the ISDA, EEI (Edison Electric Institute), and NAESB (North American Energy Standards Board) agreements. As of September 30, 2021, the City had outstanding forward purchase contracts extending through December 31, 2032, which are expected to be settled through physical delivery.

The City monitors the credit ratings of all of its counterparties to adhere to the City's Risk Management Policy. Any counterparty that does not have at least a BBB- credit rating must be approved by the Risk Oversight Committee.

The congestion revenue rights expose the City to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or nonperformance, the City's operations will not be materially affected. However, the City does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

Basis Risk. The City could be exposed to basis risk on its fuel hedges if the expected commodity purchases being hedged will price based on a delivery point (WAHA/Katy/HSC) different than that at which the financial hedging contracts are expected to settle NYMEX (Henry Hub).

Termination Risk. Termination risk is the risk that a derivative will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The City's exposure to termination risk for over-the-counter agreements is minimal due to the high credit rating of the counterparties, and the contractual provisions under the ISDA, EEI, and NAESB agreements applied to these contracts. Termination risk is associated with all of the City's derivatives up to their fair value of the instrument.

Close-out Netting Arrangements. The City enters into close-out netting arrangements whenever it has entered into more than one derivative transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and set off the transaction's fair values so that a single sum will be owed by or owed to the non-defaulting party.

Q. Asset Retirement Obligation

The City operates the Ray Olinger Power Plant. The 400-megawatt, gas-fired plant consists of four power generating units: three stream boilers and one turbine. In 2019, the City hired an outside engineering firm to access the environmental obligations and closure requirements in the event of a plant closure. It was determined that the four evaporation ponds and the above ground storage tank at the Olinger Power Plant are considered to be industrial solid waste management units subject to TCEQ closure requirements. The total cost was estimated to be $480,322. The City is estimating the life of the plant to be 13 years.

	Balance at Oct. 1, 2020	Additions	Amortization	Balance at Sept. 30, 2021
ARO Deferred Outflow	$ 396,941	$ 26,300	$ 32,557	$ 390,684

	Balance at Oct. 1, 2020	Additions	Reductions	Balance at Sept. 30, 2021
ARO Liability	$ 487,047	$ 26,300	$ -	$ 513,347

R. Subsequent Events

On December 22, 2021, approximately 11,175 acres of the TMPA Mine land was sold. The City received $33,460,812 representing 47.3% of the sale. On January 19, 2022, another 22.5 acres were sold. The City received $21,020 representing 47.3%.

On January 18, 2022, the City approved an ordinance to call $29,355,000 of Tax Anticipation Note, Series 2021 to be called on February 15, 2022.

City of Garland, Texas
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2021
(unaudited)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	$ 94,116,962	$ 101,190,477	$ 102,260,748	$ 1,070,271
Franchise fees	7,133,861	7,459,904	7,119,922	(339,982)
Service charges	28,374,369	29,383,799	31,240,300	1,856,501
Licenses and permits	3,465,439	4,631,540	4,981,566	350,026
Earnings on investments	416,700	492,900	228,237	(264,663)
Intergovernmental	481,929	1,148,643	1,054,654	(93,989)
Charges for services	10,335,152	10,445,152	10,445,154	2
Fines and forfeits	4,673,256	4,319,259	4,563,460	244,201
Rents and concessions	688,088	448,074	532,355	84,281
Total revenues	149,685,756	159,519,748	162,426,396	2,906,648
Expenditures:				
Current:				
General government	12,518,990	12,594,296	12,671,060	(76,764)
Public safety	104,340,022	105,295,282	106,576,228	(1,280,946)
Public works	42,560,253	54,218,290	46,997,463	7,220,827
Culture and recreation	17,187,690	18,552,102	16,796,831	1,755,271
Public health	4,165,820	4,783,952	4,768,937	15,015
Nondepartmental	23,906,178	32,009,762	29,205,434	2,804,328
Total expenditures	204,678,953	227,453,684	217,015,953	10,437,731
Excess (deficit) of revenues over (under) expenditures	(54,993,197)	(67,933,936)	(54,589,557)	13,344,379
Other financing sources (uses):				
Sale of capital assets	885,194	850,687	153,384	(697,303)
Transfer in	56,216,494	56,060,612	56,740,620	680,008
Transfers out	(5,540,023)	(2,574,365)	(3,981,159)	(1,406,794)
Total other financing sources (uses)	51,561,665	54,336,934	52,912,845	(1,424,089)
Net Change in fund balances	(3,431,532)	(13,597,002)	(1,676,712)	11,920,290
Fund balance, beginning of year	52,655,461	52,655,461	52,655,461	-
Fund balance, end of year	$ 49,223,929	$ 39,058,459	$ 50,978,749	$ 11,920,290

See notes to required supplementary information.

City of Garland, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Seven Calendar Years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	$ 19,196,960	$ 20,067,678	$ 21,522,671	$ 22,270,032	$ 23,370,261	$ 24,406,916	$ 26,203,127
Interest	54,497,988	56,833,734	57,958,342	60,506,232	63,285,856	66,121,119	69,127,800
Difference between expected and actual experience	(3,135,740)	(6,147,278)	84,986	928,620	892,041	2,799,800	7,470,398
Change of assumptions	-	15,651,656	-	-	-	1,605,156	-
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)	(54,582,524)
Net Change in Total Pension Liability	33,741,072	47,970,377	37,198,079	41,686,480	43,415,807	46,940,165	48,218,801
Total Pension Liability - Beginning	787,353,277	821,094,349	869,064,726	906,262,805	947,949,285	991,365,092	1,038,305,257
Total Pension Liability - Ending	$ 821,094,349	$ 869,064,726	$ 906,262,805	$ 947,949,285	$ 991,365,092	$ 1,038,305,257	$ 1,086,524,058
Plan Fiduciary Net Position							
Contributions - Employer	$ 14,502,416	$ 14,462,360	$ 14,265,404	$ 15,640,715	$ 16,662,812	$ 16,995,099	$ 18,554,489
Contributions - Employee	9,056,479	9,304,889	9,694,895	10,035,625	10,546,061	11,021,733	11,777,742
Net Investment Income	45,500,705	1,220,504	54,933,203	117,621,308	(28,429,765)	139,604,497	77,545,208
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)	(54,582,524)
Administrative Expense	(475,082)	(743,428)	(620,477)	(609,672)	(549,660)	(789,265)	(502,139)
Other	(39,061)	(36,717)	(33,430)	(30,898)	(28,717)	(23,709)	(19,593)
Net Change in Plan Fiduciary Net Position	31,727,321	(14,227,805)	35,871,675	100,638,674	(45,931,620)	118,815,529	52,773,183
Plan Fiduciary Net Position - Beginning	795,438,855	827,166,176	812,938,371	848,810,046	949,448,720	903,517,100	1,022,332,629
Plan Fiduciary Net Position - Ending	$ 827,166,176	$ 812,938,371	$ 848,810,046	$ 949,448,720	$ 903,517,100	$ 1,022,332,629	$ 1,075,105,812
Net Pension Liability (Asset)	$ (6,071,827)	$ 56,126,355	$ 57,452,759	$ (1,499,435)	$ 87,847,992	$ 15,972,628	$ 11,418,246
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.74%	93.54%	93.66%	100.16%	91.14%	98.46%	98.95%
Covered Payroll	$ 129,267,431	$ 132,898,533	$ 138,498,528	$ 143,307,799	$ 150,581,579	$ 157,362,452	$ 168,076,505
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.70%)	42.23%	41.48%	(1.05%)	58.34%	10.15%	6.79%

Measurement date December 31
The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Schedule of Contributions
Last Seven Fiscal Years
(unaudited)

	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	$ 14,703,510	$ 15,134,606	$ 15,568,576	$ 16,665,242	$ 17,281,423	$ 17,978,839	$ 18,897,527
Contributions in relation to the actuarially determined contribution	14,703,510	15,134,606	15,568,576	16,665,242	17,281,423	17,978,839	18,897,527
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 132,016,898	$ 142,253,130	$ 141,938,528	$ 148,461,246	$ 156,242,087	$ 160,756,322	$ 165,972,997
Contributions as a percentage of covered payroll	11.14%	10.64%	10.97%	11.23%	11.06%	11.18%	11.39%

Notes to Schedule of Contributions

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to the experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Four Calendar Years
(unaudited)

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	$ 2,260,181	$ 2,220,788	$ 3,024,066	$ 3,024,066
Interest	3,284,435	3,291,786	3,403,827	3,525,395
Difference between expected and actual experience	(1,303,593)	917,146	8,472,720	2,095,099
Change of assumptions	7,017,755	(5,723,188)	1,369,232	-
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)	(5,598,096)
Net Change in Total OPEB Liability	7,729,198	(3,333,399)	11,375,760	3,046,464
Total OPEB Liability - Beginning	70,652,262	78,381,460	75,048,061	86,423,821
Total OPEB Liability - Ending	$ 78,381,460	$ 75,048,061	$ 86,423,821	$ 89,470,285
Plan Fiduciary Net Position				
Contributions - Employer	$ 4,779,579	$ 5,374,931	$ 6,314,085	$ 7,103,096
Net Investment Income	527,289	(266,098)	1,218,881	1,357,858
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)	(5,598,096)
Administrative Expense	(21,120)	(32,518)	(40,759)	(50,492)
Net Change in Plan Fiduciary Net Position	1,756,168	1,036,384	2,598,122	2,812,366
Plan Fiduciary Net Position - Beginning	3,767,364	5,523,532	6,559,916	9,158,038
Plan Fiduciary Net Position - Ending	$ 5,523,532	$ 6,559,916	$ 9,158,038	$ 11,970,404
Net OPEB Liability	$ 72,857,928	$ 68,488,145	$ 77,265,783	$ 77,499,881
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.00%	8.70%	10.60%	13.40%
Covered Payroll	$ 177,921,683	$ 178,663,144	$ 186,115,788	$ 198,597,431
Net OPEB Liability as a Percentage of Covered Payroll	40.95%	38.33%	41.50%	39.00%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 4.75%.
2017-2018: The discount rate was decreased from 4.75% to 4.14%.
2018-2019: The discount rate was increased from 4.14% to 4.63%.
2019-2020: The discount rate was decreased from 4.63% to 4.02%.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
OPEB Schedule of Contributions
Last Four Fiscal Years
(unaudited)

	2018	2019	2020	2021
Actuarially Determined Contribution	$ 6,502,862	$ 5,391,362	$ 8,109,928	$ 8,343,165
Contributions in relation to the actuarially determined contribution	5,024,715	6,632,454	6,664,631	8,122,773
Contribution deficiency (excess)	$ 1,478,147	$ (1,241,092)	$ 1,445,297	$ 220,392
Covered payroll	$ 148,461,246	$ 156,242,087	$ 160,756,322	$ 165,972,997
Contributions as a percentage of covered payroll	3.38%	4.24%	4.15%	4.89%

Notes to Schedule of Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuation has been performed as of December 31.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	Market value
Inflation	2.5%
Salary Increases	3.0%
Discount Rate	4.02%
Healthcare cost trend rates	Capped at 3.0%
Mortality	Combined RP-2014 Dynamic Table projected using MP-2019 representative rates per thousand for the RP-2014 mortality table. The mortality rates improve each year based on the mortality improvement scale MP-2019.

Other Information:

Notes

The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Supplemental Death Benefit
Schedule of Changes in OPEB liability and Related Ratios
Last Four Calendar Year
(unaudited)

	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	$ 214,962	$ 255,989	$ 236,042	$ 336,153
Interest	238,314	240,384	286,023	234,005
Difference between expected and actual experience	-	497,210	(966,665)	(169,737)
Change of assumptions	542,752	(474,877)	1,259,391	1,249,459
Benefit payments	(57,323)	(60,233)	(62,945)	(67,232)
Net Change in Total OPEB Liability	938,705	458,473	751,846	1,582,648
Total OPEB Liability - Beginning	6,225,775	7,164,480	7,622,953	8,374,799
Total OPEB Liability - Ending	$ 7,164,480	$ 7,622,953	$ 8,374,799	$ 9,957,447
Covered Employee Payroll	$ 143,307,799	$ 150,581,579	$ 157,362,452	$ 168,076,505
Total OPEB Liability as a Percentage of Covered Employee Payroll	5.00%	5.06%	5.32%	5.92%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 3.81%.
The discount rate for the 12/31/17 measurement was 3.31%.
The discount rate for the 12/31/18 measurement was 3.71%.
The discount rate for the 12/31/19 measurement was 2.75%.
The discount rate for the 12/31/20 measurement was 2.00%.

No assets accumulated in a trust meets the criteria to pay related benefits for the OPEB plan.

City of Garland, Texas
Notes to Required Supplementary Information

Budgets and Budgetary Accounting

Annual appropriations for the General Fund are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The City Charter contains the following requirements, which are adhered to by the City Council and management, regarding preparation of the annual Budget:

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted prior to September 15 to obtain taxpayer comments.
3. Prior to September 20, annual appropriations are approved through the passage of an ordinance. If the Council takes no action on or prior to such day, the budget, as submitted by the City Manager, is deemed to have been adopted by the City Council.
4. The level of control (level at which expenditures may not exceed budget) is the fund. The City Manager is authorized to transfer unexpended balances within each fund. The City Council, however, must approve any revisions in fund appropriations.

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City of Garland, Texas
Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Community Development Block Grant Fund (CDBG) – This fund is used to account for Federal grant revenues provided through the Department of Housing and Urban Development for the development of environmental and economic opportunities, principally for persons of low and moderate income.

Housing Assistance Program Fund – This fund is used to account for Federal revenues provided through the Department of Housing and Urban Development for housing assistance payments for low income tenants.

Neighborhood Services Fund – This fund is used to account for Federal, state, and local revenues to improve neighborhoods in low income areas.

Hotel/Motel Tax Fund – This fund is used to account for the receipt of hotel/motel occupancy taxes.

Impact Fees Fund – This fund is used to account for street and water impact fees charged to develop property.

Landfill Closure Fund – This fund is used to account for expenditures related to the landfill closure and postclosure care.

Police Training Fund – This fund is used to account for grant funding of police training.

Substandard Perimeter Road Fund – This fund is used to account for revenue received pending the construction of substandard perimeter roads and streets.

Narcotic Seizure Fund – This fund is used to account for awards and expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state law.

Treasury Department Grants Fund -- This fund is used to account for Federal and state revenue to assist with expenditures related to the COVID-19 pandemic.

TIF Fund – This fund is used to account for the Downtown Tax Increment Finance Fund, TIF Zone No. 1, the Interstate 30 Corridor Tax Increment Finance Fund, TIF Zone No. 2, and the Medical District Tax Increment Finance Fund, TIF Zone No. 3. These funds are used to account for revenues and expenditures incurred in administering the tax increment financing programs.

Garland Foundation for Development (GFFD) – This fund is used to account for expenses related to the promotion of economic development with the City.

City of Garland, Texas
Nonmajor Governmental Funds
Balance Sheet
September 30, 2021

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	Treasury Dept Grants	TIF	GFFD	Total Other Governmental Funds
Assets													
Cash and cash equivalents	$ 432,980	$ -	$ 1,528,218	$ 2,245,575	$ 9,984,977	$ -	$ (45,189)	$ 1,243,437	$ 336,806	$ -	$ 1,765,673	$ 310,547	$ 17,803,024
Investments	115,369	3,396	397,721	594,203	2,627,842	(196)	(835)	327,801	65,834	-	458,976	-	4,590,111
Receivables:													
Accrued interest	6	26	1,433	2,297	9,870	-	6	1,283	305	5,940	1,994	-	23,160
Accounts, net	566,791	385	3,514,470	-	-	-	-	-	3,750	-	-	-	4,085,396
Due from other governments	341,383	-	217,256	-	-	-	123,832	-	-	-	-	-	682,471
Assets held for resale	-	-	383,294	-	-	-	-	-	-	-	-	-	383,294
Total Current Assets	1,456,529	3,807	6,042,392	2,842,075	12,622,689	(196)	77,814	1,572,521	406,695	5,940	2,226,643	310,547	27,567,456
Restricted assets:													
Cash and cash equivalents	-	1,271,687	-	-	-	-	66,089	-	65,590	34,317,643	-	-	35,721,009
Investments	-	8,710	-	-	-	-	-	-	-		-	-	8,710
Total Restricted Assets	-	1,280,397	-	-	-	-	66,089	-	65,590	34,317,643	-	-	35,729,719
Total Assets	$ 1,456,529	$ 1,284,204	$ 6,042,392	$ 2,842,075	$ 12,622,689	$ (196)	$ 143,903	$ 1,572,521	$ 472,285	$ 34,323,583	$ 2,226,643	$ 310,547	$ 63,297,175
LIABILITIES													
Current liabilities:													
Accounts payable and accrued liabilities	$ 128,956	$ 163,555	$ 278,315	$ 46,932	$ -	$ 16,606	$ 52,629	$ -	$ 252	$ 1,000,000	$ 13,805	$ -	$ 1,701,050
Accrued interest-COs	-	-	-	-	-	-	-	-	-	-	5,066		5,066
Due to other funds	-	-	140,934	-	-	6,315	-	-	-	-	-	-	147,249
Escrow payable	-	-	-	-	329,252	-	-	-	164,591	-	-	-	493,843
Unearned revenues	566,791	-	3,896,901	-	-	-	66,091	-	-	33,301,223	-	500	37,831,506
Total Liabilities	695,747	163,555	4,316,150	46,932	329,252	22,921	118,720	-	164,843	34,301,223	18,871	500	40,178,714
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCES													
Fund balances:													
Restricted	760,782	1,120,649	1,726,242	2,795,143	-	-	25,183	-	307,442	22,360	2,207,772	-	8,965,573
Committed	-	-	-	-	12,293,437	-	-	1,572,521	-	-	-	310,047	14,176,005
Unassigned	-	-	-	-	-	(23,117)	-	-	-	-	-	-	(23,117)
Total fund balances	760,782	1,120,649	1,726,242	2,795,143	12,293,437	(23,117)	25,183	1,572,521	307,442	22,360	2,207,772	310,047	23,118,461
Total Liabilities and Fund Balances	$ 1,456,529	$ 1,284,204	$ 6,042,392	$ 2,842,075	$ 12,622,689	$ (196)	$ 143,903	$ 1,572,521	$ 472,285	$ 34,323,583	$ 2,226,643	$ 310,547	$ 63,297,175

City of Garland, Texas
Nonmajor Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2021

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	Treasury Dept Grants	TIF	GFFD	Total Other Governmental Funds
REVENUES													
Taxes	$ -	$ -	$ -	$ 1,380,570	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,140,835	$ -	$ 3,521,405
Earnings on investments	(2,687)	1,846	(1,243)	1,020	2,204	-	29	950	(188)	26,140	(127)	34	27,978
Intergovernmental	2,516,661	13,641,668	1,003,716	-	-	-	538,704	-	-	3,755,699	-	-	21,456,448
Impact Fees	-	-	-	-	2,222,381	-	-	-	-	-	-	-	2,222,381
Contributions	-	-	350,000	-	-	-	-	-	-	-	-	-	350,000
Program income	35,276	-	538,682	-	-	-	-	-	-	-	-	-	573,958
Awards	-	-	-	-	-	-	-	-	211,981	-	-	-	211,981
Miscellaneous and other	-	185,375	863	-	-	-	22,553	-	12,927	-	-	186,000	407,718
Total Revenues	2,549,250	13,828,889	1,892,018	1,381,590	2,224,585	-	561,286	950	224,720	3,781,839	2,140,708	186,034	28,771,869
EXPENDITURES													
Current:													
Operations	2,569,992	14,705,575	1,452,609	1,310,608	-	157,887	280,952	-	32,428	5,199,550	581,083	6,420	26,297,104
Capital outlay	-	-	-	-	-	-	276,293	-	80,160	-	-	4,722,194	5,078,647
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	500,614	-	500,614
Interest	-	-	-	-	-	-	-	-	-	-	411,523	-	411,523
Total Expenditures	2,569,992	14,705,575	1,452,609	1,310,608	-	157,887	557,245	-	112,588	5,199,550	1,493,220	4,728,614	32,287,888
Excess (deficiency) of revenues over (under) expenditures	(20,742)	(876,686)	439,409	70,982	2,224,585	(157,887)	4,041	950	112,132	(1,417,711)	647,488	(4,542,580)	(3,516,019)
OTHER FINANCING SOURCES (USES)													
Transfers in	-	-	122,172	-	-	144,900	-	-	-	1,435,858	-	4,733,457	6,436,387
Transfers out	-	-	-	(210,000)	(622,703)	-	-	-	-	-	-	-	(832,703)
Total other financing sources (uses)	-	-	122,172	(210,000)	(622,703)	144,900	-	-	-	1,435,858	-	4,733,457	5,603,684
Net change in fund balances	(20,742)	(876,686)	561,581	(139,018)	1,601,882	(12,987)	4,041	950	112,132	18,147	647,488	190,877	2,087,665
Fund balances - beginning	781,524	1,997,335	1,164,661	2,934,161	10,691,555	(10,130)	21,142	1,571,571	195,310	4,213	1,560,284	119,170	21,030,796
Fund balances - ending	$ 760,782	$ 1,120,649	$ 1,726,242	$ 2,795,143	$ 12,293,437	$ (23,117)	$ 25,183	$ 1,572,521	$ 307,442	$ 22,360	$ 2,207,772	$ 310,047	$ 23,118,461

City of Garland, Texas
Budgetary Comparison Schedule - Community Development Grant Fund
For the year ended September 30, 2021

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ (2,687)	$ (2,687)
Intergovernmental	2,738,959	4,432,667	2,516,661	(1,916,006)
Program income	17,000	17,000	35,276	18,276
Total revenues	2,755,959	4,449,667	2,549,250	(1,900,417)
Expenditures:				
Current:				
Operations	2,755,959	4,449,667	2,569,992	1,879,675
Total expenditures	2,755,959	4,449,667	2,569,992	1,879,675
Excess (deficiency) of revenues over (under) expenditures	-	-	(20,742)	(20,742)
Net change in fund balances	-	-	(20,742)	(20,742)
Fund balances, beginning of year	781,524	781,524	781,524	-
Fund balances end of year	$ 781,524	$ 781,524	$ 760,782	$ (20,742)

CIty of Garland, Texas
Budgetary Comparison Schedule - Housing Assistance Fund
For the year ended September 30, 2021

	Housing Assistance Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 1,846	$ 1,846
Intergovernmental	13,641,939	14,999,892	13,641,668	(1,358,224)
Miscellaneous	34,835	263,292	185,375	(77,917)
Total revenues	13,676,774	15,263,184	13,828,889	(1,434,295)
Expenditures:				
Current:				
Operations	13,928,573	15,539,168	14,705,575	833,593
Total expenditures	13,928,573	15,539,168	14,705,575	833,593
Excess (deficiency) of revenues over (under) expenditures	(251,799)	(275,984)	(876,686)	(600,702)
Other financing sources (uses):				
Transfers out	(110,000)	(110,000)	-	110,000
Total other financing sources (uses)	(110,000)	(110,000)	-	110,000
Net change in fund balances	(361,799)	(385,984)	(876,686)	(490,702)
Fund balances, beginning of year	1,997,335	1,997,335	1,997,335	-
Fund balances end of year	$ 1,635,536	$ 1,611,351	$ 1,120,649	$ (490,702)

City of Garland, Texas
Budgetary Comparison Schedule - Neighborhood Services Funds
For the year ended September 30, 2021

	HOME Grant Fund				Summer Nutrition Fund				CASA Fund				Fair Housing Grant Fund				Total Neighborhood Services			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																				
Earnings on investments	$ 2,600	$ 2,600	$ (4,221)	$ (6,821)	$ 160	$ 250	$ 231	$ (19)	$ 1,580	$ 1,580	$ 2,207	$ 627	$ -	$ -	$ 540	$ 540	$ 4,340	$ 4,430	$ (1,243)	$ (5,673)
Intergovernmental	1,411,165	1,411,165	279,572	(1,131,593)	-	-	-	-	-	-	-	-	188,199	2,256,760	724,144	(1,532,616)	1,599,364	3,667,925	1,003,716	(2,664,209)
Program income	450,000	450,000	535,702	85,702	-	-	-	-	100,000	100,000	2,980	(97,020)	-	-	-	-	550,000	550,000	538,682	(11,318)
Contributions	-	-	-	-	-	-	-	-	200,000	200,000	350,000	150,000	-	-	-	-	200,000	200,000	350,000	150,000
Miscellaneous	-	-	863	863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	863	863
Total revenues	1,863,765	1,863,765	811,916	(1,051,849)	160	250	231	(19)	301,580	301,580	355,187	53,607	188,199	2,256,760	724,684	(1,532,076)	2,353,704	4,422,355	1,892,018	(2,530,337)
Expenditures:																				
Current:																				
Operations	1,186,708	1,186,708	481,735	704,973	34,500	34,500	17,401	17,099	100,000	300,000	167,566	132,434	276,031	2,346,453	785,907	1,560,546	1,597,239	3,867,661	1,452,609	2,415,052
Total expenditures	1,186,708	1,186,708	481,735	704,973	34,500	34,500	17,401	17,099	100,000	300,000	167,566	132,434	276,031	2,346,453	785,907	1,560,546	1,597,239	3,867,661	1,452,609	2,415,052
Excess (deficiency) of revenues over (under) expenditures	677,057	677,057	330,181	(346,876)	(34,340)	(34,250)	(17,170)	17,080	201,580	1,580	187,621	186,041	(87,832)	(89,693)	(61,223)	28,470	756,465	554,694	439,409	(115,285)
Other financing sources (uses):																				
Transfers in	-	-	-	-	34,340	34,340	34,340	-	-	-	-	-	87,832	87,832	87,832	-	122,172	122,172	122,172	-
Total other financing sources (uses)	-	-	-	-	34,340	34,340	34,340	-	-	-	-	-	87,832	87,832	87,832	-	122,172	122,172	122,172	-
Net change in fund balances	677,057	677,057	330,181	(346,876)	-	90	17,170	17,080	201,580	1,580	187,621	186,041	-	(1,861)	26,609	28,470	878,637	676,866	561,581	(115,285)
Fund balances, beginning of year	710,456	710,456	710,456	-	10,645	10,645	10,645	-	344,016	344,016	344,016	-	99,544	99,544	99,544	-	1,164,661	1,164,661	1,164,661	-
Fund balances end of year	$ 1,387,513	$ 1,387,513	$ 1,040,637	$ (346,876)	$ 10,645	$ 10,735	$ 27,815	$ 17,080	$ 545,596	$ 345,596	$ 531,637	$ 186,041	$ 99,544	$ 97,683	$ 126,153	$ 28,470	$ 2,043,298	$ 1,841,527	$ 1,726,242	$ (115,285)

City of Garland, Texas
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
For the Year Ended September 30, 2021

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Occupancy taxes	$ 1,379,018	$ 1,200,000	$ 1,380,570	$ 180,570
Earnings on investments	14,040	14,880	1,020	(13,860)
Miscellaneous	-	-	-	-
Total revenues	1,393,058	1,214,880	1,381,590	166,710
Expenditures:				
Current:				
Operations	1,437,025	1,676,048	1,310,608	365,440
Total expenditures	1,437,025	1,676,048	1,310,608	365,440
Excess (deficiency) of revenues over (under) expenditures	(43,967)	(461,168)	70,982	532,150
Other financing sources (uses):				
Transfers out	(210,431)	(210,431)	(210,000)	431
Total other financing sources (uses)	(210,431)	(210,431)	(210,000)	431
Net change in fund balances	(254,398)	(671,599)	(139,018)	532,581
Fund balances, beginning of year	2,934,161	2,934,161	2,934,161	-
Fund balances end of year	$ 2,679,763	$ 2,262,562	$ 2,795,143	$ 532,581

City of Garland, Texas
Budgetary Comparison Schedule - Police Training Grant Fund
For the year ended September 30, 2021

	Police Training Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 29	$ 29
Intergovernmental	517,057	562,655	538,704	(23,951)
Miscellaneous	-	-	22,553	22,553
Total revenues	517,057	562,655	561,286	(1,369)
Expenditures:				
Current:				
Operations	370,040	336,086	280,952	55,134
Capital	147,017	226,569	276,293	(49,724)
Total expenditures	517,057	562,655	557,245	5,410
Excess (deficiency) of revenues over (under) expenditures	-	-	4,041	4,041
Net change in fund balances	-	-	4,041	4,041
Fund balances, beginning of year	21,142	21,142	21,142	-
Fund balances end of year	$ 21,142	$ 21,142	$ 25,183	$ 4,041

City of Garland, Texas
Budgetary Comparison Schedule - Narcotic Seizure Fund
For the year ended September 30, 2021

	Narcotic Seizure			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ 1,600	$ 1,400	$ (188)	$ (1,588)
Awards	50,500	83,018	211,981	128,963
Miscellaneous	-	9,177	12,927	3,750
Total revenues	52,100	93,595	224,720	131,125
Expenditures:				
Current:				
Operations	100,000	80,000	32,428	47,572
Capital	80,160	80,160	80,160	-
Total expenditures	180,160	160,160	112,588	47,572
Excess (deficiency) of revenues over (under) expenditures	(128,060)	(66,565)	112,132	178,697
Net change in fund balances	(128,060)	(66,565)	112,132	178,697
Fund balances, beginning of year	195,310	195,310	195,310	-
Fund balances end of year	$ 67,250	$ 128,745	$ 307,442	$ 178,697

City of Garland, Texas
Budgetary Comparison Schedule - Treasury Dept Grants Fund
For the year ended September 30, 2021

	Treasury Department Grants Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ 12,924	$ 26,140	$ 13,216
Intergovernmental	5,269,902	37,056,922	3,755,699	(33,301,223)
Total revenues	5,269,902	37,069,846	3,781,839	(33,288,007)
Expenditures:				
Current:				
Operations	5,269,902	3,605,402	5,199,550	(1,594,148)
Total expenditures	5,269,902	3,605,402	5,199,550	(1,594,148)
Excess (deficiency) of revenues over (under) expenditures	-	33,464,444	(1,417,711)	(34,882,155)
Other financing sources (uses):				
Transfers in	-	1,095,490	1,435,858	340,368
Total other financing sources (uses)	-	1,095,490	1,435,858	340,368
Net change in fund balances	-	34,559,934	18,147	(34,541,787)
Fund balances, beginning of year	4,213	4,213	4,213	-
Fund balances end of year	$ 4,213	$ 34,564,147	$ 22,360	$ (34,541,787)

City of Garland, Texas
Budgetary Comparison Schedule - Tax Increment Financing Zones
For the year ended September 30, 2021

	Interstate Highway 30 TIF Fund				Downtown TIF Fund				Medical District TIF Fund				Total TIF funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																
Occupancy taxes	$ 590,768	$ 563,916	$ 649,565	$ 85,649	$ 1,136,076	$ 1,136,076	$ 1,306,712	$ 170,636	$ 8,542	$ 8,680	$ 184,558	$ 175,878	$ 1,735,386	$ 1,708,672	$ 2,140,835	$ 432,163
Earnings on investments	-	912	758	(154)	16,180	14,600	(301)	(14,901)	-	16	(584)	(600)	16,180	15,528	(127)	(15,655)
Total revenues	590,768	564,828	650,323	85,495	1,152,256	1,150,676	1,306,411	155,735	8,542	8,696	183,974	175,278	1,751,566	1,724,200	2,140,708	416,508
Expenditures:																
Current:																
Operations	67,697	66,490	66,490	-	891,068	1,465,622	514,593	951,029	-	-	-	-	958,765	1,532,112	581,083	951,029
Capital	-	-	-	-	366,250	366,250	-	366,250	-	-	-	-	366,250	366,250	-	366,250
Debt Service																
Principal	64,510	64,510	215,614	151,104	250,000	250,000	285,000	(35,000)	-	-	-	-	314,510	314,510	500,614	(186,104)
Interest	458,561	434,834	368,690	(66,144)	51,950	51,950	42,833	9,117	-	-	-	-	510,511	486,784	411,523	75,261
Total expenditures	590,768	565,834	650,794	84,960	1,559,268	2,133,822	842,426	1,291,396	-	-	-	-	2,150,036	2,699,656	1,493,220	1,206,436
Excess (deficiency) of revenues over (under) expenditures	-	(1,006)	(471)	535	(407,012)	(983,146)	463,985	1,447,131	8,542	8,696	183,974	175,278	(398,470)	(975,456)	647,488	1,622,944
Net change in fund balances	-	(1,006)	(471)	535	(407,012)	(983,146)	463,985	1,447,131	8,542	8,696	183,974	175,278	(398,470)	(975,456)	647,488	1,622,944
Fund balances, beginning of year	989	989	989	-	1,550,580	1,550,580	1,550,580	-	8,715	8,715	8,715	-	1,560,284	1,560,284	1,560,284	-
Fund balances end of year	$ 989	$ (17)	$ 518	$ 535	$ 1,143,568	$ 567,434	$ 2,014,565	$ 1,447,131	$ 17,257	$ 17,411	$ 192,689	$ 175,278	$ 1,161,814	$ 584,828	$ 2,207,772	$ 1,622,944

City of Garland, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
General property taxes	$ 61,855,805	$ 61,877,508	$ 64,201,160	$ 2,323,652
Earnings on investments	15,000	15,000	7,970	(7,030)
Miscellaneous	-	-	19,415	19,415
Total Revenues	61,870,805	61,892,508	64,228,545	2,336,037
Expenditures:				
Principal retirement	29,209,803	29,220,000	28,719,386	500,614
Interest	8,974,376	8,974,376	9,343,304	(368,928)
Issuer Contribution	-	-	10,426	(10,426)
Fiscal charges	50,000	188,000	289,305	(101,305)
Total Expenditures	38,234,179	38,382,376	38,362,421	19,955
Excess of revenues over expenditures	23,636,626	23,510,132	25,866,124	2,355,992
Other financing sources (uses):				
Proceeds of general obligation refunding bonds	-	-	875,000	875,000
Payment to general obligation refunded bond escrow agent	-	-	(1,039,265)	(1,039,265)
Premium on issuance of debt	-	-	154,050	154,050
Transfers in	685,319	685,319	685,319	-
Transfers out	(24,937,150)	(24,937,150)	(24,937,150)	-
Total other financing sources (uses)	(24,251,831)	(24,251,831)	(24,262,046)	(10,215)
Net change in fund balances	(615,205)	(741,699)	1,604,078	2,345,777
Fund balance, beginning of year	6,724,308	6,724,308	6,724,308	-
Fund balance, end of year	$ 6,109,103	$ 5,982,609	$ 8,328,386	$ 2,345,777

City of Garland, Texas
Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

The Nonmajor Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges.

Golf Fund – This fund is used to account for the resources and expense associated with a public golf course, administered by a golf professional under the direct supervision of the City Manager.

Heliport Fund – This fund is used to account for the resources and expenses associated with the operations of a heliport.

Storm Water Management Fund – This fund is used to account for the resources and expenses associated with controlling the quality of storm water discharges into lakes and streams.

Parks Performance Fund – This fund is used to account for the resources and expense associated with the operation of recreation activities that receive revenues from user fees.

Sanitation Fund – This fund is used to account for the resources and expenses associated with the collection and recycling of residential and commercial waste.

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2021

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
ASSETS						
Current assets						
Unrestricted						
Cash and cash equivalents	$ 476,402	$ 128,771	$ 2,026,395	$ 134,677	$ 1,330,247	$ 4,096,492
Investments	125,503	34,134	530,756	33,951	355,377	1,079,721
Receivable, net of allowance	66,074	-	448,981	24	2,192,227	2,707,306
Accrued interest	403	141	2,027	99	1,267	3,937
Inventories	51,819	-	-	-	-	51,819
Total current assets	720,201	163,046	3,008,159	168,751	3,879,118	7,939,275
Noncurrent assets						
Restricted assets						
Construction funds:						
Cash and cash equivalents	214,786	-	-	-	1,327,900	1,542,686
Investments	55,270	-	(773)	-	337,247	391,744
Accrued interest	205	-	-	-	1,304	1,509
Total construction funds	270,261	-	(773)	-	1,666,451	1,935,939
Capital Assets						
Land	9,111,400	1,776,208	-	-	567,992	11,455,600
System	17,085,298	746,069	5,002,096	260,925	24,776,114	47,870,502
Construction in progress	722,729	-	-	-	2,984,654	3,707,383
Less accumulated depreciation	(13,012,421)	(716,710)	(3,327,684)	(256,881)	(16,831,336)	(34,145,032)
Net capital assets	13,907,006	1,805,567	1,674,412	4,044	11,497,424	28,888,453
Total noncurrent assets	14,177,267	1,805,567	1,673,639	4,044	13,163,875	30,824,392
Total assets	$ 14,897,468	$ 1,968,613	$ 4,681,798	$ 172,795	$ 17,042,993	$ 38,763,667
Deferred charges on debt refundings	-	-	-	-	38	38
Deferred charges on pensions	128,773	-	197,250	-	649,489	975,512
Deferred charges on OPEB	124,266	-	186,399	-	675,697	986,362
Total deferred outflows	$ 253,039	$ -	$ 383,649	$ -	$ 1,325,224	$ 1,961,912

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2021

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
LIABILITIES						
Current Liabilities						
Payable from current assets:						
Accounts payable and accrued liabilities	$ 195,344	$ -	$ 133,893	$ 8,354	$ 365,186	$ 702,777
Accrued general obligation interest	-	-	-	-	83	83
Accrued certificates of obligation interest	-	-	4,977	-	81,581	86,558
Certificates of obligation	-	-	405,000	-	2,600,000	3,005,000
Due to other funds	-	-	196,830	-	-	196,830
Compensated absences	75,491	-	66,789	-	238,690	380,970
Total current liabilities	270,835	-	807,489	8,354	3,285,540	4,372,218
Long-term Liabilities						
Payable from restricted assets:						
Accounts payable	26,780	-	-	-	-	26,780
Retainage payable	-	-	5,119	-	-	5,119
Total payable from restricted assets	26,780	-	5,119	-	-	31,899
General obligation bonds (net of unamortized premium)	-	-	-	-	16,100	16,100
Certificates of obligation (net of unamortized premium)	-	-	431,242	-	8,273,292	8,704,534
Net OPEB liability	665,708	-	998,561	-	3,619,785	5,284,054
Compensated absences	63,020	-	-	-	47,927	110,947
Net pension liability	65,084	-	99,339	-	326,562	490,985
Total long-term liabilities	793,812	-	1,529,142	-	12,283,666	14,606,620
Total Liabilities	1,091,427	-	2,341,750	8,354	15,569,206	19,010,737
Deferred inflow of resources-pensions	164,836	-	252,528	-	831,563	1,248,927
Deferred inflow of resources-OPEB	28,535	-	42,802	-	155,158	226,495
Total deferred inflows	193,371	-	295,330	-	986,721	1,475,422
NET POSITION						
Net investment in capital assets	14,150,487	1,805,567	832,278	4,044	2,274,521	19,066,897
Unrestricted (deficit)	(284,778)	163,046	1,596,089	160,397	(462,231)	1,172,523
Total net position	$ 13,865,709	$ 1,968,613	$ 2,428,367	$ 164,441	$ 1,812,290	$ 20,239,420

City of Garland
Nonmajor Enterprise Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
OPERATING REVENUES						
Charges for services	$ 4,142,530	$ 7,640	$ 4,986,272	$ 538,925	$ 21,533,586	$ 31,208,953
Other	751	-	8,436	65,670	18,527	93,384
Total Operating Revenues	4,143,281	7,640	4,994,708	604,595	21,552,113	31,302,337
OPERATING EXPENSES						
Salaries and benefits	2,050,764	-	2,165,771	96,905	6,613,891	10,927,331
Landfill fees	-	-	-	-	3,423,560	3,423,560
Maintenance, repairs, and supplies	1,671,603	29,000	1,311,379	326,716	4,730,470	8,069,168
Insurance and other expenses	69,399	-	109,160	-	608,566	787,125
General and administrative	8,708	-	442,504	23,205	2,220,312	2,694,729
Claims	7,482	-	45,508	-	164,967	217,957
Depreciation	852,265	2,669	416,666	1,155	3,097,394	4,370,149
Total Operating Expenses	4,660,221	31,669	4,490,988	447,981	20,859,160	30,490,019
Total Operating Income (Loss)	(516,940)	(24,029)	503,720	156,614	692,953	812,318
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	-	-	-	-	70,000	70,000
Gain (loss) on sale of capital assets	-	-	16,078	-	11,499	27,577
Investment income	(1,316)	211	316	(550)	1,573	234
Interest expense	-	-	(20,496)	-	(136,982)	(157,478)
Income (loss) before transfers	(518,256)	(23,818)	499,618	156,064	639,043	752,651
TRANSFERS						
Transfers in	389,000	-	-	-	-	389,000
Transfers out	-	-	(24,126)	(100,000)	(1,314,400)	(1,438,526)
Total transfers	389,000	-	(24,126)	(100,000)	(1,314,400)	(1,049,526)
NET INCOME (LOSS)	(129,256)	(23,818)	475,492	56,064	(675,357)	(296,875)
Net position, beginning of year	13,994,965	1,992,431	1,952,875	108,377	2,487,647	20,536,295
Net position, end of year	$ 13,865,709	$ 1,968,613	$ 2,428,367	$ 164,441	$ 1,812,290	$ 20,239,420

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2021

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Cash flows from operating activities:						
Cash received from customers	$ 4,099,421	$ 7,640	$ 5,005,433	$ 538,901	$ 21,673,015	$ 31,324,410
Cash payments for goods and services	(1,718,495)	(29,000)	(1,922,876)	(352,195)	(11,107,301)	(15,129,867)
Cash payments to employees for services	(2,101,361)	-	(2,264,673)	(96,905)	(6,913,406)	(11,376,345)
Other operating revenues	751	-	8,436	65,670	18,527	93,384
Net cash provided by (used for) operating activities	280,316	(21,360)	826,320	155,471	3,670,835	4,911,582
Cash flows from non-capital financing activities:						
Intergovernmental	-	-	-	-	70,000	70,000
Transfers in	389,000	-	-	-	-	389,000
Transfers out	-	-	(24,126)	(100,000)	(1,314,400)	(1,438,526)
Net cash provided by (used for) non-capital financing activities	389,000	-	(24,126)	(100,000)	(1,244,400)	(979,526)
Cash flows from capital and related financing activities:						
Certificate of obligation issues	-	-	-	-	2,980,000	2,980,000
Premium on issuance of debt	-	-	-	-	376,406	376,406
Acquisition of capital assets	(202,230)	-	(11,269)	-	(2,984,654)	(3,198,153)
Principal paid on certificates of obligation	-	-	(435,000)	-	(2,675,000)	(3,110,000)
Interest paid on certificates of obligation	-	-	(47,525)	-	(421,217)	(468,742)
Interest paid on general obligation bonds	-	-	-	-	(650)	(650)
Proceeds from sale of capital assets	-	-	16,078	-	73,776	89,854
Net cash used for capital and related financing activities	(202,230)	-	(477,716)	-	(2,651,339)	(3,331,285)
Cash flows from investing activities:						
Purchase of investment securities	(249,361)	(21,386)	(356,905)	(35,719)	(503,650)	(1,167,021)
Proceeds from the sale and maturity of investment securities	217,535	54,364	639,148	42,479	1,107,665	2,061,191
Interest received on investments	(1,376)	408	2,075	(501)	4,954	5,560
Net cash provided by (used for) investing activities	(33,202)	33,386	284,318	6,259	608,969	899,730
Net increase (decrease) in cash and cash equivalents	433,884	12,026	608,796	61,730	384,065	1,500,501
Cash and cash equivalents at beginning of year	257,304	116,745	1,417,599	72,947	2,274,082	4,138,677
Cash and cash equivalents at end of year	$ 691,188	$ 128,771	$ 2,026,395	$ 134,677	$ 2,658,147	$ 5,639,178
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 476,402	$ 128,771	$ 2,026,395	$ 134,677	$ 1,330,247	$ 4,096,492
Construction fund cash and cash equivalents	214,786	-	-	-	1,327,900	1,542,686
Total cash and cash equivalents	$ 691,188	$ 128,771	$ 2,026,395	$ 134,677	$ 2,658,147	$ 5,639,178

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2021

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating income (loss)	$ (516,939)	$ (24,029)	$ 503,720	$ 156,614	$ 692,953	$ 812,319
Adjustments:						
Depreciation	852,265	2,669	416,666	1,155	3,097,394	4,370,149
Provision for uncollectible accounts	-	-	(444)	-	10,013	9,569
Change in assets and liabilities:						
Increase in pension related deferred outflows	(19,779)	-	(30,190)	-	(99,244)	(149,213)
Increase in OPEB related deferred outflows	2,771	-	4,156	-	15,066	21,993
Increase in inventory	(686)	-	-	-	-	(686)
Decrease in net pension liability	(25,960)	-	(39,623)	-	(130,255)	(195,838)
(Increase) decrease in accounts receivable	(43,109)	-	19,605	(24)	129,416	105,888
Increase (decrease) in accounts payable	31,899	-	(25,547)	(2,274)	(108)	3,970
Increase (decrease) in compensated absences	11,800	-	(3,665)	-	13,564	21,699
Increase in OPEB liability	13,829	-	20,743	-	75,194	109,766
Decrease in pension related deferred inflows	(16,657)	-	(25,424)	-	(83,579)	(125,660)
Decrease in OPEB related deferred inflows	(9,118)	-	(13,677)	-	(49,579)	(72,374)
Total adjustments	797,255	2,669	322,600	(1,143)	2,977,882	4,099,263
Net cash provided by (used for) operating activities	$ 280,316	$ (21,360)	$ 826,320	$ 155,471	$ 3,670,835	$ 4,911,582
Non-cash transactions:						
Change in restricted accounts payable	26,780	-	-	-	-	26,780
Increase in fair value of investments	4,105	766	12,062	802	15,820	33,555

City of Garland, Texas
Internal Service Funds

Internal Service Funds

The Internal Service Funds account for the financing of goods or services and insurance premiums and claims provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

Group Health Fund – This fund is used to account for an employee medical insurance plan which is administered by a third party. The City makes deposits to the fund each pay period for each employee covered by this medical insurance plan and payment of employees' medical claims are made from this fund.

Self Insurance Fund – This fund is used to account for proceeds from other funds for the payment of claims and to provide a loss reserve for potential future major unanticipated claims.

LTD Insurance Fund – This fund is used to account for proceeds from other funds and employees for the payment of long-term disability claims and to provide a loss reserve for potential future claims.

Fleet Services Fund – This fund is used to account for the cost of operating a centralized fleet maintenance garage, which performs repair and maintenance services for City vehicles.

Vehicle Replacement Fund – This fund is used to account for the proceeds from other funds for the systematic replacement of City vehicles.

Information Technology Fund – This fund is used to account for activities related to administration, operation, and maintenance of the City's electronic data processing and communication systems.

Facilities Management Fund – This fund is used to account for activities related to maintenance and management of City buildings and facilities.

Warehouse Fund – This fund is used to account for the activities related to operation of the City's warehouse center for storage and distribution of supplies.

Customer Service Fund – This fund is used to account for activities related to establishing accounts, meter reading, billing and collection of revenue, and responding to customer inquiries from the day to day operations of City utilities.

City of Garland, Texas
Internal Service Funds
Statement of Net Position
September 30, 2021

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
ASSETS										
Current assets:										
Unrestricted										
Cash and cash equivalents	$ 4,630,990	$ 3,506,256	$ 1,588,075	$ -	$ 7,914,038	$ 10,659,361	$ 1,404,287	$ -	$ 16,208,434	$ 45,911,441
Investments	1,244,022	929,049	419,656	5,490	2,054,435	2,770,164	369,063	-	4,195,025	11,986,904
Accrued interest	4,121	4,371	1,640	117	7,215	7,933	1,482	-	16,202	43,081
Other Receivables	577,432	114,419	-	-	-	33,368	-	-	638,238	1,363,457
Inventories	-	-	-	301,957	-	-	-	6,397,231	-	6,699,188
Total current assets	6,456,565	4,554,095	2,009,371	307,564	9,975,688	13,470,826	1,774,832	6,397,231	21,057,899	66,004,071
Noncurrent assets:										
Restricted										
Construction funds:										
Cash and cash equivalents	-	-	-	9,174	-	-	-	4,753	27,361	41,288
Investments	-	-	-	1,661	-	22,116	-	1,253	(1,993)	23,037
Accrued interest	-	-	-	10	-	5	-	5	28	48
Total construction funds	-	-	-	10,845	-	22,121	-	6,011	25,396	64,373
Capital assets										
Land	-	-	-	-	-	136,810	-	-	221,949	358,759
System	21,834	-	-	4,311,285	40,383,230	57,468,540	102,374	258,715	31,768,147	134,314,125
Construction in progress	-	-	-	317,090	-	7,714,958	-	-	-	8,032,048
Less accumulated depreciation	(21,834)	-	-	(2,166,149)	(29,849,504)	(40,344,366)	(60,659)	(254,542)	(14,278,467)	(86,975,521)
Net capital assets	-	-	-	2,462,226	10,533,726	24,975,942	41,715	4,173	17,711,629	55,729,411
Total noncurrent assets	-	-	-	2,473,071	10,533,726	24,998,063	41,715	10,184	17,737,025	55,793,784
Total assets	6,456,565	4,554,095	2,009,371	2,780,635	20,509,414	38,468,889	1,816,547	6,407,415	38,794,924	121,797,855
Deferred Outflows of Resources										
Deferred charges on debt	-	-	-	-	-	8,246	-	-	8,542	16,788
Deferred charges on pensions	120,012	73,365	-	261,116	-	714,907	266,334	65,209	664,947	2,165,890
Deferred charges on OPEB	93,200	38,833	-	271,832	-	489,298	271,832	77,666	730,064	1,972,725
Total deferred outflows	213,212	112,198	-	532,948	-	1,212,451	538,166	142,875	1,403,553	4,155,403
LIABILITIES										
Current Liabilities:										
Payable from current assets										
Accounts payable and accrued liabilities	1,398,335	175,790	35,170	581,263	507,417	626,660	307,836	780,413	952,240	5,365,124
Accrued interest payable:										
General obligation bonds	-	-	-	-	-	10,171	-	-	75,587	85,758
Certificates of obligation	-	-	-	6,915	-	15,600	-	-	-	22,515
Customer deposits	-	-	-	-	-	-	-	-	18,761,092	18,761,092
Due to other funds	-	-	-	105,333	-	69,531	-	1,726,827	-	1,901,691
Compensated absences	37,337	19,308	-	100,919	-	294,115	99,503	23,494	258,486	833,162
Insurance claims payable	2,462,209	2,774,500	490,000	-	-	-	-	-	-	5,726,709
General obligation bonds	-	-	-	-	-	215,000	-	-	1,315,000	1,530,000
Certificates of obligation	-	-	-	85,000	-	270,000	-	-	-	355,000
Total current liabilities	3,897,881	2,969,598	525,170	879,430	507,417	1,501,077	407,339	2,530,734	21,362,405	34,581,051
Long-term Liabilities:										
Payable from restricted assets										
Accounts payable	-	-	-	-	-	2,000	-	-	-	2,000
Total payable from restricted assets	-	-	-	-	-	2,000	-	-	-	2,000
Advances from other funds	-	-	-	-	-	-	-	3,896,269	-	3,896,269
Certificates of obligation (net of amortized bond premium)	-	-	-	1,490,662	-	2,291,395	-	-	-	3,782,057
General obligation bonds (net of amortized bond premium and defeased debt cost)	-	-	-	-	-	1,601,739	-	-	11,654,857	13,256,596
Compensated absences	8,931	18,010	-	18,007	-	200,447	72,013	3,303	34,625	355,336
Insurance claims payable	-	3,663,574	2,373,759	-	-	-	-	-	-	6,037,333
Net OPEB liability	499,281	208,034	-	1,456,235	-	2,621,224	1,456,235	416,067	3,911,032	10,568,108
Net pension liability	60,517	36,538	-	131,310	-	359,675	133,593	33,113	334,555	1,089,301
Total Long-term Liabilities	568,729	3,926,156	2,373,759	3,096,214	-	7,074,480	1,661,841	4,348,752	15,935,069	38,985,000
Total Liabilities	4,466,610	6,895,754	2,898,929	3,975,644	507,417	8,577,557	2,069,180	6,879,486	37,297,474	73,568,051
Deferred Inflows of resources										
Deferred charges on debt	-	-	-	-	-	538	-	-	16,054	16,592
Deferred charges on pensions	153,636	93,970	-	334,314	-	915,295	341,032	83,453	851,330	2,773,030
Deferred charges on OPEB	21,401	8,917	-	62,420	-	112,356	62,420	17,834	167,642	452,990
Total deferred inflows	175,037	102,887	-	396,734	-	1,028,189	403,452	101,287	1,035,026	3,242,612
NET POSITION										
Net investment in capital assets	-	-	-	897,409	10,533,726	20,625,637	41,715	10,184	4,759,656	36,868,327
Unrestricted	2,028,130	(2,332,348)	(889,558)	(1,956,204)	9,468,271	9,449,957	(159,634)	(440,667)	(2,893,679)	12,274,268
Total net position	$ 2,028,130	$ (2,332,348)	$ (889,558)	$ (1,058,795)	$ 20,001,997	$ 30,075,594	$ (117,919)	$ (430,483)	$ 1,865,977	$ 49,142,595

City of Garland, Texas
Internal Service Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2021

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
OPERATING REVENUES:										
Charges for services	$ -	$ -	$ -	$ 9,134,941	$ 4,247,402	$ 24,449,878	$ 8,675,465	$ 870,901	$ 11,934,828	$ 59,313,415
Premiums	32,789,771	7,011,760	468,299	-	-	-	-	-	-	40,269,830
Other	3,376,481	185,182	-	-	-	521,689	-	11,519	137,817	4,232,688
Total Operating Revenues	36,166,252	7,196,942	468,299	9,134,941	4,247,402	24,971,567	8,675,465	882,420	12,072,645	103,815,933
OPERATING EXPENSES:										
Salaries and benefits	1,362,573	2,297,100	-	2,443,712	-	7,114,653	2,303,866	585,548	6,141,485	22,248,937
Maintenance, repairs, and other	335,564	318,176	-	5,688,327	115,160	8,237,143	5,779,146	164,046	1,650,963	22,288,525
Premiums	6,128,708	4,077,938	-	-	-	-	-	-	-	10,206,646
Claims	29,048,258	295,999	399,639	16,366	-	29,458	16,366	4,676	43,954	29,854,716
Administrative services	505,863	70,075	55,102	-	-	-	-	-	-	631,040
General and administrative	346,916	246,157	-	922,633	-	1,579,419	715,649	252,730	3,261,722	7,325,226
Depreciation	-	-	-	97,350	4,327,899	4,391,096	23,029	7,131	833,631	9,680,136
Total Operating Expenses	37,727,882	7,305,445	454,741	9,168,388	4,443,059	21,351,769	8,838,056	1,014,131	11,931,755	102,235,226
Total Operating Income (Loss)	(1,561,630)	(108,503)	13,558	(33,447)	(195,657)	3,619,798	(162,591)	(131,711)	140,890	1,580,707
NONOPERATING REVENUES (EXPENSES):										
Investment income	752	(3,996)	1,193	1,422	(3,235)	(15,921)	1,776	3	10,130	(7,876)
Interest expense	-	-	-	(40,376)	-	(80,341)	-	(33)	(313,241)	(433,991)
Gain (loss) on sale of capital assets	-	-	-	4,400	749,420	-	-	-	3,170	756,990
Total nonoperating revenues (expenses)	752	(3,996)	1,193	(34,554)	746,185	(96,262)	1,776	(30)	(299,941)	315,123
Income (loss) before transfers	(1,560,878)	(112,499)	14,751	(68,001)	550,528	3,523,536	(160,815)	(131,741)	(159,051)	1,895,830
TRANSFERS										
Transfers in	297,198	(297,198)	-	-	202,886	-	-	-	586,340	789,226
Transfers out	-	-	-	(8,043)	-	-	-	-	(8,889)	(16,932)
Net transfers	297,198	(297,198)	-	(8,043)	202,886	-	-	-	577,451	772,294
NET INCOME (LOSS)	(1,263,680)	(409,697)	14,751	(76,044)	753,414	3,523,536	(160,815)	(131,741)	418,400	2,668,124
Net position, beginning of year	3,291,810	(1,922,651)	(904,309)	(982,751)	19,248,583	26,552,058	42,896	(298,742)	1,447,577	46,474,471
Net position, end of year	$ 2,028,130	$ (2,332,348)	$ (889,558)	$ (1,058,795)	$ 20,001,997	$ 30,075,594	$ (117,919)	$ (430,483)	$ 1,865,977	$ 49,142,595

City of Garland, Texas
Internal Service Funds
Statement of Cash Flows
For the Year Ended September 30, 2021

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Internal Service Funds
Cash flows from operating activities:										
Cash received from customers	$ 32,561,938	$ 6,917,720	$ 468,299	$ 9,134,941	$ 4,247,402	$ 24,416,796	$ 8,675,465	$ 870,901	$ 11,939,279	$ 99,232,741
Cash received for customer deposits	-	-	-	-	-	-	-	-	1,114,301	1,114,301
Cash payments for goods and services	(35,963,101)	(5,305,902)	(459,167)	(6,606,125)	151,217	(9,991,059)	(6,446,431)	(321,444)	(4,719,164)	(69,661,176)
Cash payments to employees for services	(1,418,518)	(2,381,358)	-	(2,583,852)	-	(7,434,755)	(2,428,173)	(620,772)	(6,490,915)	(23,358,343)
Other operating revenues	3,376,481	185,182	-	-	-	521,689	-	11,519	137,817	4,232,688
Net cash provided by (used for) operating activities	(1,443,200)	(584,358)	9,132	(55,036)	4,398,619	7,512,671	(199,139)	(59,796)	1,981,318	11,560,211
Cash flows from non-capital financing activities:										
Due to other funds - increase (decrease)	-	-	-	105,333	-	(62,740)	-	64,922	-	107,515
Transfers in	297,198	(297,198)	-	-	202,886	-	-	-	586,340	789,226
Transfers out	-	-	-	(8,043)	-	-	-	-	(8,889)	(16,932)
Net cash provided by (used for) non-capital financing activities	297,198	(297,198)	-	97,290	202,886	(62,740)	-	64,922	577,451	879,809
Cash flows from capital and financing activities:										
Certificate of obligation issues	-	-	-	-	-	250,000	-	-	-	250,000
Premium on issuance of debt	-	-	-	-	-	56,941	-	-	-	56,941
Acquisition of capital assets	-	-	-	(67,603)	(3,082,666)	(1,890,619)	-	-	-	(5,040,888)
Principal paid on certificates of obligation	-	-	-	(80,000)	-	(240,000)	-	-	-	(320,000)
Principal paid on general obligation bonds	-	-	-	-	-	(200,000)	-	(5,000)	(1,340,000)	(1,545,000)
Interest paid on certificates of obligation	-	-	-	(55,868)	-	(108,272)	-	-	-	(164,140)
Interest paid on general obligations	-	-	-	-	-	(84,601)	-	(125)	(624,300)	(709,026)
Proceeds from sale of assets	-	-	-	4,400	791,841	-	-	-	3,170	799,411
Net cash used for financing activities	-	-	-	(199,071)	(2,290,825)	(2,216,551)	-	(5,125)	(1,961,130)	(6,672,702)
Cash flows from investing activities:										
Purchase of investment securities	(769,120)	(582,324)	(263,750)	(1,525)	(1,768,192)	(3,225,977)	(233,226)	(789)	(2,645,398)	(9,490,301)
Proceeds from the sale and maturity of investment securities	2,093,032	1,592,149	572,799	59,267	2,496,176	3,445,979	580,868	1,724	5,543,864	16,385,858
Interest received on investments	10,079	851	3,206	1,748	2,437	(9,354)	3,891	8	29,230	42,096
Net cash provided by (used for) investing activities	1,333,991	1,010,676	312,255	59,490	730,421	210,648	351,533	943	2,927,696	6,937,653
Net increase (decrease) in cash and cash equivalents	187,989	129,120	321,387	(97,327)	3,041,101	5,444,028	152,394	944	3,525,335	12,704,971
Cash and cash equivalents at beginning of year	4,443,001	3,377,136	1,266,688	106,501	4,872,937	5,215,333	1,251,893	3,809	12,710,460	33,247,758
Cash and cash equivalents at end of year	$ 4,630,990	$ 3,506,256	$ 1,588,075	$ 9,174	$ 7,914,038	$ 10,659,361	$ 1,404,287	$ 4,753	$ 16,235,795	$ 45,952,729
Reconciliation to Statement of Net Position										
Cash and cash equivalents	$ 4,630,990	$ 3,506,256	$ 1,588,075	$ -	$ 7,914,038	$ 10,659,361	$ 1,404,287	$ -	$ 16,208,434	$ 45,911,441
Construction fund cash and cash equivalents	-	-	-	9,174	-	-	-	4,753	27,361	41,288
Total cash and cash equivalents	$ 4,630,990	$ 3,506,256	$ 1,588,075	$ 9,174	$ 7,914,038	$ 10,659,361	$ 1,404,287	$ 4,753	$ 16,235,795	$ 45,952,729
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	$ (1,561,630)	$ (108,503)	$ 13,558	$ (33,447)	$ (195,657)	$ 3,619,798	$ (162,591)	$ (131,711)	$ 140,890	$ 1,580,707
Adjustments:										
Depreciation	-	-	-	97,350	4,327,899	4,391,096	23,029	7,131	833,631	9,680,136
Provision for uncollectible accounts	-	-	-	-	-	-	-	-	(22,725)	(22,725)
Change in assets and liabilities:										
Increase in pension related deferred outflows	(18,391)	(11,104)	-	(39,906)	-	(109,307)	(40,599)	(10,064)	(101,673)	(331,044)
Increase in OPEB related deferred outflows	2,078	866	-	6,061	-	10,910	6,061	1,732	16,278	43,986
(Increase) decrease in inventory	-	-	-	(130,018)	-	-	-	58,987	-	(71,031)
Increase in net pension liability	(24,138)	(14,574)	-	(52,375)	-	(143,463)	(53,288)	(13,208)	(133,443)	(434,489)
(Increase) decrease in accounts receivable	(227,833)	(94,040)	-	-	-	(33,083)	-	-	27,176	(327,780)
Increase (decrease) in accounts payable	203,085	(299,895)	(4,426)	134,854	266,377	(174,497)	48,365	36,346	193,520	403,729
Increase in customer deposits	-	-	-	-	-	-	-	-	1,114,301	1,114,301
Increase (decrease) in compensated absences	2,073	(49,228)	-	(14,252)	-	24,722	3,771	(3,478)	(28,689)	(65,081)
Increase in OPEB liability	10,372	4,322	-	30,250	-	54,451	30,250	8,643	81,244	219,532
Increase in insurance claims payable	193,512	-	-	-	-	-	-	-	-	193,512
Decrease in pension related deferred inflows	(15,489)	(9,352)	-	(33,607)	-	(92,054)	(34,191)	(8,475)	(85,624)	(278,792)
Decrease in OPEB related deferred inflows	(6,839)	(2,850)	-	(19,946)	-	(35,902)	(19,946)	(5,699)	(53,568)	(144,750)
Total adjustments	118,430	(475,855)	(4,426)	(21,589)	4,594,276	3,892,873	(36,548)	71,915	1,840,428	9,979,504
Net cash provided by (used for) operating activities	$ (1,443,200)	$ (584,358)	$ 9,132	$ (55,036)	$ 4,398,619	$ 7,512,671	$ (199,139)	$ (59,796)	$ 1,981,318	$ 11,560,211
Non-cash transactions:										
Change in restricted accounts payable	$ -	$ -	$ -	$ (67,603)	$ -	$ (4,657)	$ -	$ -	$ -	(72,260)
Increase in fair value of investments	27,565	20,870	9,453	55	47,106	63,448	8,359	28	94,809	271,693

GARLAND
TEXAS MADE HERE

CITY OF GARLAND, TEXAS
Statistical Section
(Unaudited)

Contents **Page**

Financial Trends **128**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **134**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity **138**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **143**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **145**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Table 1

City of Garland
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	$ 95,930,730	$ 127,763,560	$ 125,858,168	$ 141,966,385	$ 150,422,234	$ 177,385,098	$ 183,437,109	$ 183,829,761	$ 237,358,502	$ 251,747,773
Restricted	9,106,322	7,859,043	7,574,847	6,284,970	7,904,536	8,365,076	14,797,879	12,472,754	16,447,494	18,339,918
Unrestricted	39,027,078	1,315,954	6,157,462	11,717,842	7,879,932	699,772	(10,392,577)	13,235,542	5,851,385	35,769,943
Total governmental activities net position	$ 144,064,130	$ 136,938,557	$ 139,590,477	$ 159,969,197	$ 166,206,702	$ 186,449,946	$ 187,842,411	$ 209,538,057	$ 259,657,381	$ 305,857,634
Business-type activities										
Net investment in capital assets	$ 346,557,013	$ 438,249,356	$ 365,960,688	$ 376,738,418	$ 393,233,982	$ 408,670,773	$ 426,347,930	$ 433,039,663	$ 430,385,905	$ 448,128,873
Restricted	196,275,271	178,691,456	180,855,772	182,974,266	184,733,224	186,750,517	164,352,786	181,885,584	200,258,011	236,758,735
Unrestricted	118,547,358	53,537,669	123,189,978	124,110,995	91,707,333	61,283,046	66,062,217	106,130,672	138,206,756	115,775,777
Total business-type activities net position	$ 661,379,642	$ 670,478,481	$ 670,006,438	$ 683,823,679	$ 669,674,539	$ 656,704,336	$ 656,762,933	$ 721,055,919	$ 768,850,672	$ 800,663,385
Primary government										
Net investment in capital assets	$ 442,487,743	$ 566,012,916	$ 491,818,856	$ 518,704,803	$ 543,656,216	$ 586,055,871	$ 609,785,039	$ 616,869,424	$ 667,744,407	$ 699,876,646
Restricted	205,381,593	186,550,499	188,430,619	189,259,236	192,637,760	195,115,593	179,150,665	194,358,338	216,705,505	255,098,653
Unrestricted	157,574,436	54,853,623	129,347,440	135,828,837	99,587,265	61,982,818	55,669,640	119,366,214	144,058,141	151,545,720
Total primary government activities net position	$ 805,443,772	$ 807,417,038	$ 809,596,915	$ 843,792,876	$ 835,881,241	$ 843,154,282	$ 844,605,344	$ 930,593,976	$ 1,028,508,053	$ 1,106,521,019

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 29,569,285	$ 29,243,108	$ 27,639,946	$ 28,672,583	$ 32,857,828	$ 33,421,800	$ 34,425,497	$ 37,666,863	$ 42,142,722	$ 42,122,789
Public safety	90,755,164	92,128,110	91,105,170	93,438,294	103,855,466	107,419,896	108,420,934	120,253,380	120,243,599	118,229,934
Public works	41,666,670	40,870,496	41,893,889	42,473,055	46,703,808	39,356,985	42,764,067	46,038,188	48,199,894	57,058,678
Culture and recreation	20,805,012	21,442,173	20,820,273	21,780,835	24,405,765	24,743,188	24,323,627	28,281,367	26,708,528	24,808,132
Public health	4,018,652	4,322,827	4,105,273	4,401,399	4,819,386	4,682,394	4,405,451	5,144,733	5,072,234	5,320,061
Interest and fiscal charges	12,038,048	11,094,537	9,696,538	8,323,617	8,833,481	8,391,567	7,339,076	6,669,810	6,648,006	6,508,036
Total governmental activities expenses	198,852,831	199,101,251	195,261,089	199,089,783	221,475,734	218,015,830	221,678,652	244,054,341	249,014,983	254,047,630
Business-type activities:										
Electric	166,360,005	271,815,312	344,969,100	319,583,367	281,386,514	282,989,503	259,269,873	236,681,376	241,329,104	319,876,181
Water	40,702,500	43,758,542	46,952,415	48,965,136	54,403,015	58,299,626	64,111,798	65,530,161	67,600,465	66,983,984
Sewer	36,348,765	36,288,797	36,080,645	35,609,533	36,662,146	37,321,258	38,352,152	38,297,685	39,666,456	38,716,017
Golf	4,922,780	4,889,818	4,738,094	4,808,720	4,926,096	5,080,114	4,583,422	4,875,332	4,705,089	4,650,746
Heliport	85,480	5,365	5,329	5,351	5,350	5,344	5,315	19,060	23,272	31,605
Storm water management	3,519,113	3,926,814	3,996,717	3,949,180	3,878,831	3,842,023	4,292,213	4,206,675	4,285,236	4,486,235
Parks performance	1,022,947	964,590	1,031,470	1,113,223	1,233,076	1,259,287	1,248,760	1,159,836	705,424	447,070
Sanitation	16,972,881	16,965,951	17,415,020	17,085,912	17,786,836	17,841,828	18,485,025	19,991,136	20,979,102	20,941,959
Total business-type activities expenses	269,934,471	378,615,189	455,188,790	431,120,422	400,281,864	406,638,983	390,348,558	370,761,261	379,294,148	456,133,797
Total primary government expenses	$ 468,787,302	$ 577,716,440	$ 650,449,879	$ 630,210,205	$ 621,757,598	$ 624,654,813	$ 612,027,210	$ 614,815,602	$ 628,309,131	$ 710,181,427
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,761,126	$ 6,792,917	$ 6,771,546	$ 7,211,710	$ 8,235,397	$ 8,432,962	$ 9,910,970	$ 9,192,290	$ 9,512,403	$ 9,632,574
Public safety	14,130,333	15,467,011	14,845,171	15,447,629	17,925,072	19,019,451	19,654,603	19,756,620	16,252,716	17,458,794
Public works	14,710,176	14,626,584	14,690,728	16,858,348	20,301,355	19,976,447	18,752,900	21,377,178	23,350,575	23,623,136
Culture and recreation	1,523,989	1,726,202	1,562,302	1,580,984	1,489,423	1,367,082	1,354,400	1,351,315	651,540	745,087
Public health	409,920	534,179	494,343	460,154	546,298	539,542	514,925	598,254	442,161	408,506
Operating grants and contributions	16,885,088	17,203,324	14,290,332	14,640,650	15,090,766	16,271,994	15,409,934	17,041,881	31,861,124	23,114,835
Capital grants and contributions	815,387	1,785,232	560,265	2,695,395	8,377,011	12,892,981	11,057,555	6,572,632	10,947,632	8,014,890
Total governmental activities program revenues	55,236,019	58,135,449	53,214,687	58,894,870	71,965,322	78,500,459	76,655,287	75,890,170	93,018,151	82,997,822
Business-type activities:										
Charges for services:										
Electric	222,228,397	296,866,570	376,657,906	338,473,487	278,334,789	279,846,202	287,169,337	291,458,932	284,768,630	356,541,531
Water	46,525,981	50,176,879	49,536,979	57,135,679	63,373,281	63,623,236	76,184,876	75,578,798	79,828,745	75,816,909
Sewer	42,172,904	41,831,894	43,460,465	43,609,415	44,628,715	44,237,184	43,902,151	46,737,430	47,421,755	48,655,766
Golf	3,724,490	3,677,689	3,630,768	3,528,120	3,577,522	3,964,942	3,708,057	3,770,352	3,365,566	4,142,530
Heliport	6,713	6,865	6,956	7,018	7,032	7,118	7,257	7,378	7,522	7,640
Storm water management	3,840,350	3,824,990	3,820,130	3,829,343	3,819,769	3,860,797	4,326,657	4,445,090	4,963,130	4,986,272
Parks performance	1,052,256	1,124,046	1,005,702	1,091,961	1,198,950	1,220,969	1,092,368	1,168,863	638,751	538,925
Sanitation	16,898,137	17,469,768	17,586,500	19,243,412	19,379,321	19,712,847	19,877,745	19,974,028	21,193,039	21,533,586
Operating grants and contributions	-	-	-	-	-	884,150	-	-	-	854,633
Capital grants and contributions	1,249,457	1,787,937	953,011	1,678,626	2,534,605	3,113,641	3,600,423	3,311,593	4,070,500	3,502,161
Total business-type activities program revenues	337,698,685	416,766,638	496,658,417	468,597,061	416,853,984	420,471,086	439,868,871	446,452,464	446,257,638	516,579,953
Total primary government program revenues	$ 392,934,704	$ 474,902,087	$ 549,873,104	$ 527,491,931	$ 488,819,306	$ 498,971,545	$ 516,524,158	$ 522,342,634	$ 539,275,789	$ 599,577,775

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense)/revenue										
Governmental activities	$ (143,616,812)	$ (140,965,802)	$ (142,046,402)	$ (140,194,913)	$ (149,510,412)	$ (139,515,371)	$ (145,023,365)	$ (168,164,171)	$ (155,996,832)	$ (171,049,808)
Business-type activities	67,764,214	38,151,449	41,469,627	37,476,639	16,572,120	13,832,103	49,520,313	75,691,203	66,963,490	60,446,156
Total primary government net expense	$ (75,852,598)	$ (102,814,353)	$ (100,576,775)	$ (102,718,274)	$ (132,938,292)	$ (125,683,268)	$ (95,503,052)	$ (92,472,968)	$ (89,033,342)	$ (110,603,652)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 71,712,486	$ 71,160,273	$ 71,507,322	$ 74,345,310	$ 79,069,419	$ 87,329,443	$ 95,795,752	$ 106,255,121	$ 124,854,949	$ 133,819,570
Sales taxes	22,684,164	23,537,389	24,667,765	26,497,069	30,234,776	29,894,875	30,129,008	31,035,747	30,527,171	35,580,376
Franchise taxes	7,887,388	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961	7,119,922
Hotel/motel taxes	773,753	825,003	896,702	1,071,660	1,356,259	1,415,395	1,431,266	1,525,983	1,250,293	1,380,570
Mixed drink taxes	238,486	255,607	327,324	351,879	370,992	401,934	413,241	423,577	327,410	407,951
Bingo taxes	104,178	106,252	105,701	105,198	116,434	86,889	88,130	107,056	128,102	141,864
Unrestricted investment earnings	648,009	266,319	679,278	821,107	913,992	1,117,176	2,313,130	6,072,790	3,720,948	130,798
Miscellaneous	85,561	59,186	132,933	2,788,292	251,073	606,208	34,151	833,032	129,546	198,927
Transfers	29,484,492	30,796,507	39,628,270	32,236,236	34,982,692	30,159,918	40,394,892	35,095,634	38,173,776	38,470,083
Total governmental activities	133,618,517	135,653,478	147,036,786	147,048,773	155,747,917	159,758,615	179,512,298	189,859,817	206,116,156	217,250,061
Business-type activities:										
Unrestricted investment earnings	1,703,509	42,619	1,481,986	1,823,835	1,671,185	1,961,783	3,216,278	8,233,512	6,819,640	289,125
Miscellaneous	2,092,995	1,701,278	2,074,837	1,701,956	2,590,247	1,395,829	2,100,389	15,493,423	12,185,399	9,547,515
Transfers	(29,484,492)	(30,796,507)	(39,628,270)	(32,236,236)	(34,982,692)	(30,159,918)	(40,394,892)	(35,095,634)	(38,173,776)	(38,470,083)
Total business-type activities	(25,687,988)	(29,052,610)	(36,071,447)	(28,710,445)	(30,721,260)	(26,802,306)	(35,078,225)	(11,368,699)	(19,168,737)	(28,633,443)
Total primary government	$ 107,930,529	$ 106,600,868	$ 110,965,339	$ 118,338,328	$ 125,026,657	$ 132,956,309	$ 144,434,073	$ 178,491,118	$ 186,947,419	$ 188,616,618
Change in Net Position										
Governmental activities	$ (9,998,295)	$ (5,312,324)	$ 4,990,384	$ 6,853,860	$ 6,237,505	$ 20,243,244	$ 34,488,933	$ 21,695,646	$ 50,119,324	$ 46,200,253
Business-type activities	42,076,226	9,098,839	5,398,180	8,766,194	(14,149,140)	(12,970,203)	14,442,088	64,322,504	47,794,753	31,812,713
Cumulative effect of change in acctg principle	-	-	(8,208,687)	18,575,907	-	-	(47,479,959)	(29,518)	-	-
Total primary government	$ 32,077,931	$ 3,786,515	$ 2,179,877	$ 34,195,961	$ (7,911,635)	$ 7,273,041	$ 1,451,062	$ 85,988,632	$ 97,914,077	$ 78,012,966

City of Garland
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink Tax	Bingo Tax	Total
2012	$ 71,712,486	$ 22,684,164	$ 7,887,388	$ 773,753	$ 238,486	$ 104,178	$ 103,400,455
2013	71,160,273	23,537,389	8,646,942	825,003	255,607	106,252	104,531,466
2014	71,507,322	24,667,765	9,091,491	896,702	327,324	105,701	106,596,305
2015	74,345,310	26,497,069	8,832,022	1,071,660	351,879	105,198	111,203,138
2016	79,069,419	30,234,776 *	8,452,280	1,356,259	370,992	116,434	119,600,160
2017	87,329,443	29,894,875	8,746,777	1,415,395	401,934	86,889	127,875,313
2018	95,795,752	30,129,008	8,912,728	1,431,266	413,241	88,130	136,770,125
2019	106,255,121	31,035,747	8,510,877	1,525,983	423,577	107,056	147,858,361
2020	124,854,949	30,527,171	7,003,961	1,250,293	327,410	128,102	164,091,886
2021	133,819,570	35,580,376	7,119,922	1,380,570	407,951	141,864	178,450,253

* Sales tax includes a one-time audit adjustment of $1,267,967.

City of Garland
Fund Balances of Government Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,686	$ 2,216	$ -
Restricted for construction	758,444	1,531,005	135,552	820,577	851,283	762,777	2,661,895	1,758,414	2,072,994	1,951,780
Committed	-	-	-	-	-	-	11,399,953	7,650,641	13,340,757	9,380,541
Assigned	4,730,000	4,480,000	4,230,000	3,980,000	3,730,000	3,480,000	3,230,000	3,230,000	14,067,692	12,222,677
Unassigned	16,575,077	18,252,865	21,364,117	20,944,205	22,467,723	30,955,648	17,641,489	23,139,762	23,171,802	27,423,751
Total general fund	$ 22,063,521	$ 24,263,870	$ 25,729,669	$ 25,744,782	$ 27,049,006	$ 35,198,425	$ 34,933,337	$ 35,821,503	$ 52,655,461	$ 50,978,749
All other government funds										
Non spendable:										
Prepaid	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,179,824	$ -	$ -
Restricted for:										
General government	39,730,596	33,393,625	22,931,442	344,704	460,690	619,178	3,728,181	4,188,943	4,498,658	5,025,275
Debt service	5,241,033	6,314,007	7,843,714	6,235,664	5,729,738	6,298,049	6,556,425	5,589,684	6,724,308	8,328,386
Parks construction	-	-	-	115,016	368,549	961,391	581,433	918,946	-	-
Streets and drainage	-	-	-	68,129	2,748,505	11,292,276	2,222,061	-	-	-
Public facilities	-	-	-	42,207,841	36,664,668	38,207,888	38,421,468	28,975,889	35,317,431	32,085,846
Other capital projects	1,774,748	1,727,296	1,035,676	6,921,928	237,619	828,678	-	-	-	-
Housing assistance	984,567	935,202	570,169	1,005,267	1,354,176	1,176,106	2,113,317	1,898,867	3,943,520	3,607,673
Public safety	53,785	-	-	786,043	798,548	567,248	310,362	278,305	216,452	332,625
Committed for:										
Neighborhood services	332,670	444,858	453,849	426,644	528,668	512,220	-	-	-	-
Culture & recreation				1,963,149	2,273,584	2,531,681	-	-	-	-
Landfill closure	1,615,772	1,934,063	2,149,180	197,263	25,631	25,932	-	-	-	-
Public works and infrastructure	4,626,022	5,006,527	5,404,617	6,643,558	7,352,692	6,628,149	8,155,937	10,207,382	12,382,296	14,176,005
Assigned for:										
General government	-	-	-	-	-	-	9,755,580	8,704,005	7,860,555	9,734,074
Unassigned										
Capital project funds	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	-	(5,500)	-	-	-	(24,480)	(96,565)	(10,130)	(23,117)
Total all other governmental funds	$ 54,359,193	$ 49,755,578	$ 40,383,147	$ 66,915,206	$ 58,543,068	$ 69,648,796	$ 71,820,284	$ 64,845,280	$ 70,933,090	$ 73,266,767

Note: In 2018, fund balances associated with Infrastructure, Public Health, and Economic Development was designated as committed.

City of Garland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 95,535,319	$ 95,793,994	$ 97,585,254	$ 102,157,106	$ 110,932,701	$ 119,054,419	$ 127,764,097	$ 139,137,219	$ 156,944,579	$ 169,983,313
Franchise fees	7,887,388	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961	7,119,922
Service charges	20,411,968	20,239,605	20,791,739	22,040,585	26,789,030	26,037,157	27,082,445	30,359,398	30,165,738	31,240,300
Licenses and permits	3,751,589	3,393,137	3,781,703	3,860,441	4,906,892	5,201,460	4,488,052	4,869,605	4,586,832	4,981,566
Investment earnings	482,567	243,088	529,912	607,191	625,129	837,061	1,703,775	4,421,741	2,832,265	138,672
Intergovernmental	15,573,047	16,079,825	13,450,076	13,692,567	14,656,626	14,628,063	16,237,327	16,922,301	32,366,750	22,694,063
Charges for services	8,010,474	7,973,376	8,002,858	8,576,934	8,975,685	9,426,444	9,819,344	10,126,440	10,334,101	10,445,154
Fines and forfeits	6,110,138	6,955,299	6,730,988	6,608,238	7,521,426	8,586,513	7,234,696	6,724,195	3,362,932	4,563,460
Rents and concessions	788,504	804,298	833,456	829,410	748,504	745,942	771,769	754,648	499,969	532,355
Assessments	61,182	61,779	77,710	195,043	82,743	39,797	39,872	48,442	28,168	96,227
Impact fees	368,620	377,520	380,120	1,405,625	714,624	1,640,837	1,441,120	1,769,149	2,305,938	2,222,381
Contributions	31,881	-	-	30,847	151,654	-	-	-	-	350,000
Program income	376,059	365,103	292,533	408,698	740,485	360,193	1,405,285	517,753	764,150	573,958
Special event income	-	216,026	-	-	-	-	-	-	-	-
Miscellaneous	998,201	2,342,106	815,199	1,358,754	4,879,561	12,237,187	6,620,881	3,062,947	5,210,525	3,317,285
Awards	573,187	192,737	230,571	334,576	218,681	291,479	160,403	237,120	101,224	211,981
Total Revenues	160,960,124	163,684,835	162,593,610	170,938,037	190,396,021	207,833,329	213,681,794	227,461,835	256,507,132	258,470,637
Expenditures										
General government	9,339,438	9,820,852	10,066,773	10,335,083	12,471,750	11,784,388	12,083,845	12,346,659	12,643,915	12,763,589
Public safety	77,639,802	78,338,393	79,341,146	81,633,191	87,878,926	89,743,140	95,537,161	100,113,212	102,099,911	106,576,228
Public works	18,457,911	17,391,246	19,617,640	20,656,938	22,529,626	22,329,429	27,150,168	18,680,546	19,234,473	20,081,425
Culture and recreation	12,794,896	13,218,113	13,371,187	13,573,292	14,366,431	15,083,685	16,471,742	17,562,268	16,469,559	16,796,831
Public health	3,364,592	3,579,737	3,606,072	3,763,652	3,885,801	3,801,719	3,833,685	4,003,801	4,037,036	4,768,937
Nondepartmental	19,086,070	21,243,401	20,992,758	23,629,265	26,805,888	24,798,432	27,873,387	26,718,604	26,661,783	29,205,434
Operations	16,978,956	15,974,313	15,229,201	14,635,127	15,326,008	15,376,461	16,288,216	17,966,870	23,211,661	26,297,104
Capital Outlay	12,977,724	18,460,127	30,798,802	18,359,468	29,638,166	30,314,161	46,444,414	64,584,868	67,491,361	101,843,349
Debt service										
Principal	17,922,725	17,370,398	20,108,094	19,810,813	21,600,000	21,980,000	24,785,000	26,940,000	27,695,000	29,220,000
Interest	8,991,405	11,900,025	9,949,833	9,078,192	10,308,594	8,939,092	9,706,544	9,478,699	10,436,805	9,754,827
Issue costs on issuance of debt	1,038,554	307,935	311,537	313,973	-	490,612	-	291,431	11,355	10,426
Other charges	454,846	339,837	72,285	406,218	300,280	319,197	415,626	465,961	502,281	794,701
Total expenditures	199,046,919	207,944,377	223,465,328	216,195,212	245,111,470	244,960,316	280,589,788	299,152,919	310,495,140	358,112,851
Excess of revenues over (under) expenditures	(38,086,795)	(44,259,542)	(60,871,718)	(45,257,175)	(54,715,449)	(37,126,987)	(66,907,994)	(71,691,084)	(53,988,008)	(99,642,214)
Other financing sources (uses)										
Sale of capital assets	117,097	528,187	1,232,275	167,619	624,725	557,911	68,888	1,190,890	153,276	153,384
Transfers in	42,083,177	37,847,598	50,731,130	49,149,623	44,272,571	49,444,705	66,566,899	65,530,207	80,903,202	91,673,258
Transfers out	(12,675,653)	(7,209,853)	(8,541,923)	(19,724,709)	(14,019,482)	(19,708,769)	(26,253,518)	(26,375,285)	(43,540,870)	(53,975,469)
Issuance of debt	46,245,000	10,835,000	9,110,000	40,370,000	14,765,000	23,490,000	25,365,000	21,775,000	34,975,000	55,960,000
Premium on issuance of debt	4,905,097	1,165,344	1,447,424	3,081,644	2,004,721	10,211,911	3,067,125	7,458,657	4,618,549	6,652,271
Refunding proceeds	17,365,000	6,650,000	17,515,000	34,525,000	-	55,425,000	-	34,905,000	1,170,000	875,000
Payment to bond refunding agent	(17,035,000)	(7,960,000)	(18,528,820)	(35,764,832)	-	(63,038,619)	-	(38,880,223)	(1,369,381)	(1,039,265)
Total other financing sources (uses)	81,004,718	41,856,276	52,965,086	71,804,345	47,647,535	56,382,139	68,814,394	65,604,246	76,909,776	100,299,179
Net change in fund balances	$ 42,917,923	$ (2,403,266)	$ (7,906,632)	$ 26,547,170	$ (7,067,914)	$ 19,255,152	$ 1,906,400	$ (6,086,838)	$ 22,921,768	$ 656,965
Debt service as a percentage of noncapital expenditures	14.46%	15.45%	15.60%	14.60%	14.81%	14.40%	14.73%	15.53%	15.69%	15.21%

City of Garland
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	$ 7,073,235,060	$ 4,482,821,460	$ 856,956,640	$ 2,292,980,261	$ 10,120,032,899	0.7046
2013	6,925,794,480	4,465,116,770	925,935,130	2,347,404,371	9,969,442,009	0.7046
2014	6,900,021,740	4,679,026,760	879,388,670	2,425,139,035	10,033,298,135	0.7046
2015	7,113,456,210	4,928,351,740	841,096,940	2,456,451,404	10,426,453,486	0.7046
2016	7,636,480,700	5,189,352,440	829,469,960	2,573,293,675	11,082,009,425	0.7046
2017	8,807,329,810	5,738,601,110	873,666,970	3,086,963,695	12,332,634,195	0.7046
2018	9,710,744,870	6,070,137,390	928,053,960	3,257,290,309	13,451,645,911	0.7046
2019	11,154,489,960	6,558,625,310	941,717,780	3,718,523,856	14,936,309,194	0.7046
2020	11,816,598,780	7,166,662,540	1,085,747,000	4,022,787,704	16,046,220,616	0.7696
2021	12,289,732,539	6,836,331,220	1,058,025,080	4,127,269,779	16,056,819,060	0.7696

Note: Total Taxable Assessed Value represents the original certified taxable value. It does not include valuation of protested property at certification date.

Source: City of Garland, Texas - Tax Office

City of Garland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	City Direct Rates			Overlapping Rates*												
Fiscal Year	General Fund	Debt Service Fund	Total Direct	Garland Independent School District	Dallas County	Dallas County Hospital District	Dallas County Community College District	Dallas Independent School District	Dallas County Schools	Richardson Independent School District	Mesquite Independent School District	Collin County	Collin County Community College District	Plano Independent School District	Rockwall Independent School District	Rockwall County
2012	$ 0.3940	$ 0.3106	$ 0.7046	$ 1.2533	$ 0.2531	$ 0.2710	$ 0.0997	$ 1.2903	$ 0.0100	$ 1.3401	$ 1.4200	$ 0.2400	$ 0.0863	$ 1.3734	$ -	$ -
2013	0.3940	0.3106	0.7046	1.2533	0.2431	0.2710	0.1194	1.2903	0.0100	1.3401	1.4200	0.2400	0.0863	1.3734	-	-
2014	0.3940	0.3106	0.7046	1.2533	0.2431	0.2760	0.1247	1.2821	0.0100	1.3401	1.4200	0.2375	0.0836	1.4530	-	-
2015	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2016	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2017	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1229	1.2821	0.0093	1.3901	1.4600	0.2084	0.0812	1.4390	-	-
2018	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2019	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2020	0.3940	0.3756	0.7696	1.3463	0.2379	0.2661	0.1240	1.2967	0.0100	1.3100	1.4464	0.1725	0.0812	1.3238	1.4047	0.3131
2021	0.3940	0.3756	0.7696	1.2600	0.2279	0.2550	0.1235	1.2870	0.0100	1.3909	1.4500	0.1681	0.0812	1.3208	1.3100	0.3131

Source: City of Garland, Texas - Tax Office and State of Texas Comptroller Office

Note: The City's basic tax rate cannot exceed $2.50 per $100 assessed value.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Garland. Not all overlapping rates apply to all City of Garland property owners; for example, although the county property tax rates apply to all city property owners, the Mesquite Independent School District rates apply only to property owners whose property is located within that districts' geographic boundaries.

Table 8

City of Garland
Principal Property Tax Payers
Current Year and Nine Years Ago
(unaudited)

Taxpayer	2021 Taxable Assessed Valuation	2021 Rank	2021 Percent of Total City Taxable Assessed Value	2012 Taxable Assessed Valuation	2012 Rank	2012 Percent of Total City Taxable Assessed Value
Kraft Heinz Food Company	$ 109,182,300	1	0.68%	$ 38,990,719	8	0.39%
Simon Property Group	104,500,000	2	0.65%	87,740,860	2	0.87%
BM EF Preserve LLC	87,700,000	3	0.55%			
CF Hendry Multifamily Dist	67,200,760	4	0.42%			
Ragingwire Data Centers Inc	63,680,000	5	0.40%	-		-
Ragingwire Data Centers Inc	62,853,610	6	0.39%	-		-
BM EF Spring Creek LLC	61,822,950	7	0.39%	-		-
Jefferson Woodland LLC	51,935,560	8	0.32%			
Atmos Energy Mid Tex Public Utility	48,459,600	9	0.30%	-		-
BR Archco Domain Ph1 LLC	45,250,000	10	0.28%	-		-
Walmart/Sam's Club	-		-	98,978,610	1	0.98%
Plastipak Packaging	-		-	69,557,943	3	0.69%
Verizon	-		-	58,905,920	4	0.58%
Sears Roebuck and Co.	-		-	48,399,482	5	0.48%
SST Truck Co LLC	-		-	48,260,308	6	0.48%
Valspar Engineered Polymer	-		-	43,917,878	7	0.43%
Daisy Brand Inc	-		-	33,059,313	9	0.33%
Advenir @ Torwn Centre LLC	-		-	31,680,000	10	0.31%
	$ 702,584,780		4.38%	$ 559,491,033		5.53%

Source: City of Garland, Texas - Tax Office

Table 9

City of Garland
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	$ 71,301,935	$ 70,589,967	99.00%	$ 676,198	$ 71,266,165	99.95%
2013	70,801,851	70,130,748	99.05%	633,966	70,764,714	99.95%
2014	71,071,583	70,536,234	99.25%	495,734	71,031,968	99.94%
2015	73,798,105	73,250,492	99.26%	496,044	73,746,536	99.93%
2016	78,610,052	78,025,905	99.26%	506,289	78,532,194	99.90%
2017	86,774,848	86,089,470	99.21%	547,429	86,636,899	99.84%
2018	95,302,690	94,597,181	99.26%	524,946	95,122,127	99.81%
2019	105,747,469	104,849,923	99.15%	611,899	105,461,822	99.73%
2020	124,526,948	123,427,570	99.12%	662,162	124,089,732	99.65%
2021	133,202,374	131,815,302	98.96%	-	131,815,302	98.96%

Source: City of Garland, Texas - Tax Office and Financial Services

City of Garland
Ratios of Outstanding Debt by Year
Last Ten Fiscal Years
(unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 225,628,652	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279	$ 167,508,490
Certificates of Obligation	33,650,768	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467	114,767,952
Other Obligations	95,342	65,098	33,343	-	-	-	-	-	-	-
Total	259,374,762	250,999,382	238,893,707	257,826,152	250,793,234	253,108,139	252,664,299	246,120,587	253,074,746	282,276,442
Percentage of Personal Income	5.17%	4.94%	4.67%	5.08%	4.67%	4.51%	4.58%	4.22%	4.12%	4.53%
Per Capita	1,137	1,084	1,024	1,099	1,063	1,069	1,060	1,027	1,042	1,147
Internal Services										
General Obligation Bonds	$ 940,087	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844	$ 14,786,596
Certificates of Obligation	33,348,720	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045	4,137,057
Total	34,288,807	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889	18,923,653
Percentage of Personal Income	0.68%	0.64%	0.59%	0.55%	0.51%	0.46%	0.43%	0.38%	0.35%	0.30%
Per Capita	150	140	130	118	115	108	99	93	87.39	76.87
Total Governmental Activities										
General Obligation Bonds	$ 226,568,739	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123	$ 182,295,086
Certificates of Obligation	66,999,488	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512	118,905,009
Other Obligations	95,342	65,098	33,343	-	-	-	-	-	-	-
Total	293,663,569	283,527,953	269,207,930	285,554,506	278,021,130	278,747,003	276,213,737	268,404,832	274,303,635	301,200,095
Percentage of Personal Income	5.86%	5.57%	5.26%	5.62%	5.18%	4.97%	4.92%	4.61%	4.46%	4.83%
Per Capita	1,288	1,224	1,154	1,218	1,179	1,177	1,159	1,120	1,129	1,224
BUSINESS-TYPE ACTIVITIES										
Revenue Bonds	$ 316,972,656	$ 307,357,705	$ 406,859,556	$ 381,487,963	$ 356,430,875	$ 371,429,037	$ 427,244,016	$ 560,632,179	$ 749,207,794	$ 996,353,910
General Obligation Bonds	76,992,004	68,356,211	59,942,513	48,745,628	38,143,825	28,335,233	18,829,023	10,697,916	11,777,670	698,691
Certificates of Obligation	141,434,684	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894	11,709,534
Commercial Paper	10,000,000	80,000,000	15,000,000	35,000,000	89,910,000	163,280,000	159,440,000	100,500,000	100,500,000	57,500,000
Other Obligations	179,335	-	-	-	-	-	-	-	-	-
Total	545,578,679	596,526,997	625,060,393	665,293,810	672,952,193	738,541,605	768,128,656	818,196,645	865,230,358	1,066,262,135
Percentage of Personal Income	10.89%	11.73%	12.21%	13.10%	12.54%	13.16%	13.92%	14.82%	14.07%	17.11%
Per Capita	2,392	2,575	2,680	2,837	2,853	3,119	3,223	3,414	3,562	4,331
Total Primary Government	$ 839,242,248	$ 880,054,950	$ 894,268,323	$ 950,848,316	$ 950,973,323	$ 1,017,288,608	$ 1,044,342,393	$ 1,086,601,477	$ 1,139,533,993	$ 1,367,462,230
Percentage of Personal Income	16.74%	17.30%	17.46%	18.72%	17.72%	18.13%	18.92%	18.65%	18.53%	21.95%
Per Capita	3,680	3,800	3,835	4,054	4,032	4,296	4,383	4,533	4,691	5,555

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

It should be noted that a substantial portion of the debt associated with Business-Type activities is related to the Electric Utility and includes debt associated with transmission line projects that will allow the utility to receive additional transmission revenue from the Electric Reliability Council of Texas ratepayers.

City of Garland
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 225,628,652	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279	$ 167,508,490
Certificates of Obligation	33,650,768	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467	114,767,952
Less: Amount Available in Debt Service Fund	2,206,544	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083	7,422,565
Total	257,072,876	246,242,751	232,373,434	253,247,871	246,214,953	247,868,372	247,360,168	241,772,362	247,354,663	274,853,877
Percentage of Estimated Actual Taxable Value of Property	2.54%	2.47%	2.32%	2.43%	2.22%	2.01%	1.84%	1.62%	1.54%	1.71%
Per Capita	1,127	1,063	996	1,080	1,044	1,047	1,038	1,009	1,018.28	1,116.51
Internal Services										
General Obligation Bonds	$ 940,087	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844	$ 14,786,596
Certificates of Obligation	33,348,720	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045	4,137,057
Total	34,288,807	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889	18,923,653
Percentage of Estimated Actual Taxable Value of Property	0.34%	0.33%	0.30%	0.27%	0.25%	0.21%	0.18%	0.15%	0.13%	0.12%
Per Capita	150	140	130	118	115	108	99	93	87.39	76.87
Total Governmental Activities										
General Obligation Bonds	$ 226,568,739	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123	$ 182,295,086
Certificates of Obligation	66,999,488	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512	118,905,009
Less: Amount Available in Debt Service Fund	2,206,544	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083	7,422,565
Total	291,361,683	278,771,322	262,687,657	280,976,225	273,442,849	273,507,236	270,909,606	264,056,607	268,583,552	293,777,530
Percentage of Estimated Actual Taxable Value of Property	2.88%	2.80%	2.62%	2.69%	2.47%	2.22%	2.01%	1.77%	1.67%	1.83%
Per Capita	1,278	1,204	1,126	1,198	1,159	1,155	1,137	1,102	1,106	1,193
BUSINESS-TYPE ACTIVITIES										
General Obligation Bonds	$ 76,992,004	$ 68,356,211	$ 59,942,513	$ 48,745,628	$ 38,143,825	$ 28,335,233	$ 18,829,023	$ 10,697,916	$ 11,777,670	$ 698,691
Certificates of Obligation	141,434,684	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894	11,709,534
Total	218,426,688	209,169,292	203,200,837	248,805,847	226,611,318	203,832,568	181,444,640	157,064,466	15,522,564	12,408,225
Percentage of Estimated Actual Taxable Value of Property	2.16%	2.10%	2.03%	2.39%	2.04%	1.65%	1.35%	1.05%	0.10%	0.08%
Per Capita	958	903	871	1,061	961	861	761	655	64	50
Total Primary Government	$ 509,788,371	$ 487,940,614	$ 465,888,494	$ 529,782,072	$ 500,054,167	$ 477,339,804	$ 452,354,246	$ 421,121,073	$ 284,106,116	$ 306,185,755
Percentage of Estimated Actual Taxable Value of Property	5.04%	4.89%	4.64%	5.08%	4.51%	3.87%	3.36%	2.82%	1.77%	1.91%
Per Capita	2,235	2,107	1,998	2,259	2,120	2,016	1,898	1,757	1,170	1,244

This report reflects changes made to the General Obligation Debt column to properly report the total amount of general obligation debt outstanding each year.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See the Schedule of Demographic and Economic Statistics for population data.

Total tax-supported debt (including commercial paper) is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property. The City is currently below the threshold.

City of Garland
Estimated Direct and Overlapping Governmental Activities Debt
September 30, 2021
(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Garland Independent School District	$ 464,615,000	68.39%	$ 317,750,199
Collin County	425,280,000	0.02%	85,056
Collin County Community College District	524,590,000	0.02%	104,918
Dallas County	130,445,000	5.85%	7,631,033
Dallas County Community College District	115,750,000	5.85%	6,771,375
Dallas County Hospital District	622,000,000	5.85%	36,387,000
Dallas County Schools	16,679,652	5.85%	975,760
Dallas Independent School District	3,210,015,000	0.16%	5,136,024
Richardson Independent School District	513,480,000	3.53%	18,125,844
Plano Independent School District	625,625,000	0.05%	312,813
Mesquite Independent School District	748,039,389	2.00%	14,960,788
Rockwall County	137,950,000	0.01%	13,795
Rockwall Independent School District	514,758,572	0.01%	51,476
Subtotal, overlapping debt			408,306,081
City direct debt			301,200,095
Total estimated direct and overlapping debt			$ 709,506,176

Sources: This statement was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Garland. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the government's total taxable assessed value.

City of Garland
Legal Debt Margin Information
September 30, 2021
(unaudited)

As a home rule city, the City of Garland is not limited by the law in the amount of debt it may issue. The City's charter (section 9.1) states:

> The Council shall have power to levy, for general purposes, an ad valorem tax on real, personal, and mixed property within the territory of the City of Garland, not exempt from taxation by the Constitution and laws of the State of Texas, based upon its true value as provided by law, to the extent of the constitutional limit permitted by the State of Texas to cities of over five thousand (5,000) population, and which said tax shall embrace all taxes for municipal purposes.

The City tax rate limitation is $2.50 per $100 assessed value. The tax rate for FY21 is $.7696 per $100.00 assessed value.

Table 14

City of Garland
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Electric Utility System Revenue Bonds						Water & Sewer Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)
2012	$ 225,093,999	$ 133,939,385	$ 91,154,614	$ 5,095,000	$ 1,887,700	13.05	$ 89,386,493	$ 52,500,437	$ 36,886,056	$ 10,441,750	$ 3,965,662	2.56
2013	297,758,202	241,171,931	56,586,271	5,076,111	1,607,330	8.47	92,710,455	55,799,905	36,910,550	10,313,500	3,458,475	2.68
2014	378,621,613	312,954,736	65,666,877	8,526,750	3,792,817	5.33	94,387,130	58,667,658	35,719,472	10,453,000	3,553,678	2.55
2015	341,110,573	283,279,931	57,830,642	8,516,316	3,446,312	4.83	101,420,086	60,211,698	41,208,388	10,383,684	3,280,082	3.02
2016	281,736,385	215,335,038	66,401,347	8,501,667	3,238,345	5.66	108,715,199	64,324,054	44,391,145	10,266,667	3,001,013	3.35
2017	282,850,756	214,058,309	68,792,447	8,972,750	3,549,664	5.49	108,584,843	68,288,444	40,296,399	9,820,000	2,673,950	3.23
2018	291,082,253	222,169,714	68,912,539	6,498,500	2,898,333	7.33	121,117,757	75,803,079	45,314,678	10,067,250	3,366,458	3.37
2019	308,374,453	182,328,918	126,045,535	10,906,333	6,573,272	7.21	124,177,631	75,537,223	48,640,408	10,109,211	3,062,276	3.69
2020	304,193,708	187,470,836	116,722,872	16,012,833	8,699,056	4.72	128,696,808	77,761,673	50,935,135	10,114,000	3,059,411	3.87
2021	365,705,970	281,783,050	83,922,920	23,723,833	12,807,069	2.30	125,625,847	78,874,719	46,751,128	10,355,500	2,892,723	3.53

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
(1) Gross revenue includes all operating and non-operating revenues.
(2) Operations and maintenance expenses includes all reported operating expenses less depreciation, amortization of other assets, and the actuarial determined pension and OPEB expenses reflected under the salaries and benefits line item of the financial statements.
(3) Net available revenue represents gross revenues of the system less the operation and maintenance expenses incurred during the fiscal year.
(4) Average annual debt service for all outstanding prior lien revenue bonds and outstanding revenue bonds similarly secured.
(5) The Electric and Water & Sewer bond ordinances require that net available revenues of the systems be at least 1.25 times the average annual principle and interest requirements.

Table 15

City of Garland
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2012	228,060	5,012,075	$ 21,977	33.7	12.9	58,151	6.3%
2013	231,618	5,085,868	21,958	33.7	12.9	58,059	6.4%
2014	233,206	5,120,737	21,958	33.4	12.9	58,059	5.1%
2015	234,533	5,080,219	21,661	33.4	12.9	58,000	4.0%
2016	235,885	5,366,620	22,751	33.8	12.9	55,100	3.8%
2017	236,786	5,611,118	23,697	34.5	12.9	57,000	3.3%
2018	238,293	5,519,819	23,164	35.3	12.9	56,471	3.4%
2019	239,684	5,827,437	24,313	34.1	12.9	56,471	3.1%
2020	242,914	6,148,153	25,310	34.3	12.9	55,848	7.4%
2021	246,173	6,230,639	25,310	34	13	55,848	4.4%

Sources: City of Garland, Texas - Planning Department, U. S. Census, Garland Independent School District, Garland Chamber of Commerce, and Texas Employment Commission

City of Garland
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2021			2012		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Kraft Foods	796	1	0.63%	-		-
US Food Service	520	2	0.41%	500	5	0.50%
Atlas Copco	460	3	0.37%	420	6	0.42%
SilverLine Window	425	4	0.34%	-		-
Hatco (Resistol)	390	5	0.31%	386	7	0.38%
L3 Communications	350	6	0.28%	300	10	0.30%
Arrow Fabricated Tubing	340	7	0.27%	-		-
Valspar	300	8	0.24%	-		-
KARLEE, Inc	290	9	0.23%	-		-
General Dynamics	275	10	0.22%	325	9	0.32%
Raytheon E-Systems	-		-	3,500	1	3.47%
Wal-Mart Super Cneters	-		-	1,250	2	1.24%
International/SST Truck	-		-	800	3	0.79%
Kingsley Tools (Danaher)	-		-	550	4	0.55%
Home Depot	-		-	339	8	0.34%
	4,146		3.30%	8,370		8.31%

Sources: City of Garland, Texas - Tax Office & Texas Workforce Commission, Labor Market Information

City of Garland
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of December 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General Government	344	348	351	356	362	370	382	388	384	392
Police										
Sworn (civil service)	323	323	323	323	334	337	348	355	354	354
Non-Sworn (non-civil service)	132	133	133	133	133	133	133	133	134	141
Fire										
Sworn (civil service)	255	255	255	254	254	254	257	264	264	264
Non-Sworn (non-civil service)	7	7	7	7	7	7	7	7	7	7
Culture and Recreation	158	159	159	160	160	160	162	164	163	163
Internal Services	252	252	252	252	253	254	256	262	256	255
Electric	238	249	251	251	251	251	251	235	235	235
Water	64	63	64	64	63	65	65	65	66	66
Sewer	97	97	97	99	100	102	102	102	101	101
Solid Waste	87	87	87	87	87	87	90	97	99	98
Stormwater Management	24	24	24	24	24	24	24	24	24	24
Golf	28	17	16	16	16	16	29	29	28	28
Special Revenue	44	42	41	39	41	42	41	40	45	46
Total FTE Employees	2,053	2,056	2,060	2,065	2,085	2,102	2,147	2,165	2,160	2,174

Source: City of Garland Budget Office

City of Garland
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 *	2021
Function										
Police										
Physical arrests	11,284	11,168	10,587	9,741	9,151	9,287	8,942	9,731	5,641	5,527
Citations issued	61,591	62,737	57,341	51,924	51,864	60,147	53,737	59,797	38,555	41,497
Fire										
Number of calls answered	21,146	21,924	21,349	22,036	23,058	24,312	25,159	25,439	25,730	29,538
Business Inspections	2,506	2,029	2,354	3,821	5,701	9,105	7,491	5,055	4,955	3,277
Highways and streets										
Street resurfacing (miles)	23	15	16	21	23	49	36	35	37	33
Service maintenance requests	1,719	2,099	1,963	2,573	2,485	2,041	2,796	3,643	2,613	1,641
Parks and recreation										
Performing arts center attendance	158,500	134,637	136,255	161,346	148,241	151,000	149,000	155,000	79,399	48,186
Recreation center attendance	1,104,143	1,199,720	1,307,212	1,367,403	1,455,784	1,248,000	1,185,000	1,109,000	575,826	521,325
Library										
Volumes, items, or physical units	337,728	346,108	342,826	363,784	361,733	361,277	357,672	665,737	637,315	369,141
Number of Library circulation transactions	1,549,358	1,569,059	1,524,365	1,516,250	1,398,209	1,290,241	1,169,855	1,113,486	576,609	824,941
Electric										
Number of accounts	68,396	69,126	69,262	69,491	69,533	69,929	70,964	71,647	72,295	73,607
Average daily usage (KWH)	5,370,791	5,270,163	5,450,915	5,470,273	5,272,563	5,170,775	5,480,345	5,352,577	5,363,593	5,261,027
Water										
New connections	103	196	36	177	281	132	199	225	607	323
Water main breaks	400	438	449	344	206	144	264	171	201	201
Average daily consumption (thousands of gallons)	29,498	30,058	26,503	26,624	27,315	27,769	29,808	29,249	31,736	30,412
Sewer										
Average daily sewage treatment (millions of gallons)	34	34	32	39	33	34	37	46	41	39

Sources: Various City departments

* FY20 statistics are impacted by closures related to the Covid 19 pandemic. Various departments experienced periodic closures to ensure the safety of the public.

City of Garland
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	81	81	123	123	123	122	122	122	155	155
Fire Stations	11	11	11	11	11	11	11	11	11	11
Highways and streets										
Streets (miles)	697.00	700.00	700.00	700.00	700.00	702.78	703.64	703.64	703.64	706.84
Streetlights	14,062	14,104	14,060	13,798	14,364	14,418	14,335	14,197	14,138	14,101
Traffic signals	185	185	190	192	193	192	192	193	194	196
Parks and recreation										
Parks acreage	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Parks	63	63	63	63	63	63	63	63	63	63
Swimming pools	4	4	4	4	4	4	4	4	4	3
Tennis courts	35	35	35	35	35	35	35	35	35	35
Recreation centers	6	6	6	6	6	6	6	6	6	6
Electric										
Substations	23	23	28	28	29	31	32	33	36	35
Miles of service lines	1,082	1,090	1,174	1,179	1,190	1,195	1,276	1,283	1,310	1,314
Maximum resource capacity (MW)	408.0	528.0	530.0	530.0	530.0	530.0	523.0	523.0	523.0	529.0
Water										
Water mains (miles)	1,114	1,117	1,118	1,122	1,126	1,130	1,135	960	967	972
Fire Hydrants	8,271	8,305	8,325	8,365	8,411	8,465	8,529	8,672	8,752	8,824
Maximum daily capacity (millions of gallons)	221	221	225	225	225	225	225	225	225	225
Sewer										
Sanitary sewers (miles)	1,001	1,003	1,004	1,006	1,008	1,010	1,011	895	900	902
Maximum daily flow (MGD)	108	70	55	135	111	76	143	121	125	106
Maximum daily treatment capacity (millions of gallons)	64	64	64	64	64	64	64	64	64	64

Sources: Various City departments

Texas Municipal Power Agency
Condensed Financial Information
September 30, 2021

		Amount in (000's)
Total assets	$	232,913
Total liabilities		234,138
Total deferred inflows of resources		6,168
Total net assets		(7,393)
Total liabilities and net assets	$	232,913
Total operating revenues	$	40,062
Total operating expenses		17,079
Income from operations		22,983
Total other income(expenses)		(1,967)
Total interest charges		(10,059)
Deferred cost		(1,644)
Refunds to member Cities		(22,812)
Change in net assets		(13,499)
Gain on sale of plant		18,304
Net assets - beginning balance		(12,198)
Net assets - ending balance	$	(7,393)

Source: TMPA Annual Comprehensive Financial Report

City of Garland
Schedule of Insurance in Force
September 30, 2021
(unaudited)

Insurance Company	Policy Number	From	To	Description	Deductible	Limits
Evanston Insurance Company	SM940211	04/02/21	04/02/22	Medical Professional Liability	$ 2,500	$ 1,000,000
Hudson Excess Insurance Company	CYB1003436-01	10/01/20	10/01/21	Cyber Liability	$ 50,000	$ 3,000,000
Great American Insurance Company	GVT40276130600	12/03/20	10/01/21	Commercial Crime Coverage	$ 100,000	$ 1,000,000
Great American Insurance Company	IMP52323011300	10/01/20	10/01/21	Contractors Equip. & Fleet Catastrophe	Various	$ 20,000,000
Property Insurance Carriers					Various	$ 250,000,000
HDI Global Specialty SE (UK) - Lead Carrier	B1230QGP03968J20	10/01/20	10/01/21	Primary $250,000,000		
Liberty Specialty Markets	LSMAEN102229A	10/01/20	10/01/21	Primary $50,000,000		
Lloyds of London (THB)	B1230GP03968M20	10/01/20	10/01/21	Primary $25,000,000		
Lloyds of London (THB)	B1230GP03968N20	10/01/20	10/01/21	Primary $25,000,000		
Starstone Specialty Ins. Co.	A83776200CSP	10/01/20	10/01/21	Primary $25,000,000		
Everest Indemnity Company	CA3P006450-201	10/01/20	10/01/21	Primary $10,000,000		
Lloyd's of London	Confirming	10/01/20	10/01/21	Primary $10,000,000		
Fidelis Underwriting (THB)	B1230GP03968E20	10/01/20	10/01/21	Primary $10,000,000		
Mitsui Sumitomo (THB)	B1230GP03968K20	10/01/20	10/01/21	Primary $10,000,000		
Lloyd's of London	Confirming	10/01/20	10/01/21	$75M xs $25M		
Lloyd's of London	Confirming	10/01/20	10/01/21	$40M xs $10M		
Arch Specialty Insurance	ESP1004516-00	10/01/20	10/01/21	$40M xs $10M		
Evanston Insurance Company	Confirming	10/01/20	10/01/21	$25M xs $25M		
Fidelis Underwriting (THB)	B1230GP03968F20	10/01/20	10/01/21	$25M xs $25M		
Houston Casualty Company (THB)	B1230GP03968C20	10/01/20	10/01/21	$25M xs $25M		
Kinsale Insurance Company	0100128573-0	10/01/20	10/01/21	$25M xs $25M		
Partner Re Ireland (THB)	B1230GP03968I20	10/01/20	10/01/21	$25M xs $25M		
Chubb European Group SE	Confirming	10/01/20	10/01/21	$200M xs $50M		
Scottsdale Ins. Co.	Confirming	10/01/20	10/01/21	$200M xs $50M		
Homeland Insurance Company of New York	Confirming	10/01/20	10/01/21	$200M xs $50M		
Landmark American Ins. Co. (RSUI)	LHD915059	10/01/20	10/01/21	$15M xs $10M		
Fidelis Underwriting (THB)	B1230GP03968G20	10/01/20	10/01/21	$150M xs $100M		
Nationwide Mutual Insurance Company	FWC000003142200	10/15/20	10/15/21	Special Events Liability	None	$ 1,000,000
Genesis Insurance Company	YXB301166G	10/01/20	10/01/21	Excess Casualty Coverage	$ 750,000	$ 10,000,000
XL Insurance America	US00076653PR20A	10/01/20	10/01/21	Boiler & Machinery Coverage	$25,000 / $500,000	$ 100,000,000
Colony Insurance Company	PXL19114301	10/01/20	10/01/21	Excess Workers Compensation	$ 750,000	Statutory/$1,000,000
Indian Harbor Insurance Company	US00086490SP20A	10/01/20	10/01/21	Terrorism Insurance Coverage	$ 25,000	$ 250,000,000
Ategrity Specialty Insurance Company	01CPKP20013041-0	12/11/20	10/01/21	Liquor Liability Insurance Coverage	None	$ 1,000,000

Sources: City of Garland Risk Management Department